

THE UNITED STATES AND SOUTH ASIA

HEARING BEFORE THE SUBCOMMITTEE ON ASIA AND THE PACIFIC OF THE COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED NINTH CONGRESS

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TUESDAY, JUNE 14, 2005

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ASIA AND THE PACIFIC,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 9:38 a.m. in room 2172, Rayburn House Office Building, Hon. James A. Leach (Chairman of the Subcommittee) presiding.

Mr. LEACH. The Committee will come to order.

On behalf of the Subcommittee, I would like to express a warm welcome to Secretary Rocca and our other panel of distinguished witnesses. We appreciate your appearance before us this morning and look forward to an exchange of views.

The hearing today is intended to review United States foreign policy priorities in South Asia and assess related opportunities and challenges to American interests. Just a decade ago, the notion that the U.S. would be deeply engaged with virtually all countries in the region on a panoply of people-to-people, economic, political and security concerns would have been deemed extraordinarily unlikely by America's foreign policy establishment. Today, however, America's increasingly close relationship with the region is not only accepted as a matter of course but is coupled with a deep-seated desire in Washington for even warmer societal ties.

There are many reasons for increased American involvement in South Asia, and I would like to emphasize just one, which are demographic trends. According to U.N. estimates, by 2050, India will have replaced China as the world's most populous country with roughly 1.6 billion people. Astonishingly, Pakistan is projected to overtake Indonesia as the world's fourth most populous country with 305 million, roughly twice the population of Russia. And Bangladesh is anticipated to be the eighth largest at about 245 million. If accurate, the implications of those projections are profound, not only for the region and the world economy, but for basic social and political stability. For these and other reasons, it is important that America pay increasing attention to the region in the years ahead.

In this regard, the Administration's strategic intent in South Asia is clear: It seeks to accelerate the development of a democratic partnership with India, to maintain a stable and enduring relationship with a moderate Pakistan, and continue to nurture respectful and mutually productive relations with the other countries in the region. In my view, the Congress strongly supports these objectives.

While the broad outline of the Administration objectives are clear, U.S. policy approaches at any given moment will of necessity

require nuanced judgments. For example, there is virtually no dissent in Washington from the precept that India and the United States should become natural allies with compelling incentives over time to cooperate closely on a host of regional and global concerns. In this regard, the Congress is looking forward to the visit by Prime Minister Manmohan Singh later next month.

I would be hopeful that the Administration will unambiguously announce support for Indian permanent membership on the U.N. Security Council at that time. We recognize, of course, that both countries have certain divergences of views on issues ranging from Burma and Iran to the Sudan as well as on aspects of international trade policy and, of course, the NPT.

With respect to Pakistan, President Musharraf's support for the campaign against terrorism is seminally significant. Pakistani policies may be imperfect, but Pakistan, the United States and the world are better off with the development of respectful rather than antagonistic relations between our two countries.

Now, turning to Nepal, it is self-evident that India, the United States and the United Kingdom must all continue to work together to urge reconciliation between the King and the political parties in order to bring the Maoists back to the negotiating table. Unfortunately, however, there are few signs that the King is fully committed to multiparty democracy. New Delhi, London and Washington will have to calibrate their approach accordingly.

Elsewhere in the region, the coalition government in Colombo continues to debate the efficacy of a joint mechanism to provide tsunami relief to Tamil majority areas of the north and east. Agreement on such an aid mechanism could be an important confidence-building measure and catalyst for the stalemated peace process.

Turning to Bangladesh, while America continues to seek strengthened relations with this historically moderate Muslim majority country, there are troubling signs of growing political violence and deteriorating governance.

Finally, I would be remiss not to mention the plight of the Bhutanese refugees in Nepal. Tragically and inexcusably, a major humanitarian impasse has developed in which for 14 years somewhere between 70,000 and 100,000 Bhutanese refugees have been kept idle and lingering in seven camps in eastern Nepal. It is long past due for the international community to develop a durable solution to this lamentable circumstance.

Mr. Faleomavaega.

[The prepared statement of Mr. Leach follows:]

PREPARED STATEMENT OF THE HONORABLE JAMES A. LEACH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA, AND CHAIRMAN, SUBCOMMITTEE ON ASIA AND THE PACIFIC

On behalf of the Subcommittee, I would like to express a warm welcome to Assistant Secretary Rocca and our other panel of distinguished witnesses. We appreciate your appearance before us this morning and look forward to an exchange of views.

The hearing today is intended to review United States foreign policy priorities in South Asia and assess related opportunities and challenges to American interests.

Just a short decade ago, the notion that the U.S. would be deeply engaged with virtually all countries in the region on a panoply of people-to-people, economic, political and security concerns would have been deemed extraordinarily unlikely by America's foreign policy establishment. Today, America's increasingly close relationship with the region is not only accepted as a matter of course but is coupled with a deep-seated desire in Washington for even warmer societal ties.

There are many reasons for increased American involvement South Asia. I would like to emphasize one: demographic trends.

According to United Nations estimates, by 2050 India will have replaced China as the world's most populous country with roughly 1.6 billion people. Astonishingly, Pakistan is projected to overtake Indonesia as the world's fourth most populous country with 305 million (or roughly twice the population of Russia) and Bangladesh is anticipated to be the eighth largest at about 245 million. If accurate, the implications of those projections are profound, not only for the region and world economy but for basic social and political stability. For these and other reasons, it is important that America pay increasing attention to the region in the years ahead.

In this regard, the Administration's strategic intent in South Asia is clear. It seeks to accelerate the development of a democratic partnership with India, maintain a stable and enduring relationship with a moderate Pakistan, and continue to nurture respectful and mutually productive relations with the other countries in the region. In my view, the Congress strongly supports these objectives.

While the broad outline of Administration objectives are clear, U.S. policy approaches at any given moment will of necessity require nuanced judgments.

For example, there is virtually no dissent in Washington from the precept that India and the United States should become natural allies with compelling incentives over time to cooperate closely on a host of regional and global concerns. In this regard, the Congress is looking forward to the visit by Prime Minister Manmohan Singh later next month.

I would be hopeful that the Administration will unambiguously announce support for Indian permanent membership on the UN Security Council at that time. We recognize, of course, that both countries have certain divergences of view on issues ranging from Burma and Iran to the Sudan, as well as on aspects of international trade policy and, of course, the Nuclear Nonproliferation Treaty.

With respect to Pakistan, President Musharraf's support for the campaign against terrorism is seminally significant. Pakistani policies may be imperfect, but Pakistan, the U.S., and the world are better off with the development of respectful rather than antagonistic relations between our two countries.

Turning to Nepal, it is self-evident that India, the U.S. and United Kingdom must all continue to work together to urge reconciliation between the King and the political parties in order bring the Maoists back to the negotiating table. Unfortunately, however, there are few signs that the King is fully committed to multi-party democracy. Delhi, London and Washington will have to calibrate their approach accordingly.

Elsewhere in the region, the coalition government in Colombo continues to debate the efficacy of a "joint mechanism" to provide tsunami relief to Tamil-majority areas of the North and East. Agreement on such an aid mechanism could be an important confidence building measure and catalyst for the stalemated peace process. Turning to Bangladesh, while America continues to seek strengthened relations with this historically moderate Muslim-majority country, there are troubling signs of growing political violence and deteriorating governance.

Finally, I would be remiss not to mention the plight of Bhutanese refugees in Nepal. Tragically and inexcusably, a major humanitarian impasse has developed in which for 14 years somewhere between 70,000 and 100,000 Bhutanese refugees have been kept idle and lingering in seven camps in eastern Nepal. It is long past due for the international community to develop a durable solution to this lamentable circumstance.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. I thank you for holding this hearing on the United States and South Asia.

This hearing comes only a few days after we marked up the State Department authorization bill in which we were able to include language relating to democracy in Pakistan, and this is an issue I hope we fully address this morning.

President Bush stated in his inaugural address, and I quote:

"It is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world."

And I trust his great mission of American diplomacy includes restoring the fully functional democracy in Pakistan in which Presi-

dent Musharraf, as promised, resigns his military commission as army chief and in which free, fair and transparent elections are held to reverse Pakistan's historic trend toward unstable governance and military interference in democratic institutions.

I am also hopeful, Mr. Chairman, that the Administration will reconsider its decision to sell F-16s to Pakistan. F-16s are capable of delivering nuclear weapons, and while Pakistan is an important partner in the campaign on terror, Pakistan has a history of using United States weapons platforms against India, as it was the case in 1965 when Pakistan launched a war against India using F-104s it had purchased from the United States in 1960.

Pakistan also has a history of nuclear proliferation. Mr. A.Q. Khan, the popular father of Pakistan's nuclear weapons program, confessed to selling nuclear technology abroad to North Korea, Libya and Iran, and President Musharraf pardoned him for it. While the United States and Pakistan have held talks on installing new safeguards on Pakistan's nuclear weapons, to date, Pakistan will not accept any demand for access to or inspections of its nuclear and strategic assets, materials and facilities.

In view of these troubling developments, Mr. Chairman, I am deeply concerned by the Administration's decision to sell F-16s to Pakistan at a time when the United States knows little about Pakistan's nuclear weapons programs or capabilities. I am also concerned that this sale will take place at a time when the United States has no assurances that these weapons will not be used to strengthen nondemocratic forces in Pakistan.

As of now, Pakistan seems unable or unwilling to end the exfiltration of Islamic militants from territory under its control. Insurgents continue to cross into Afghanistan to attack United States-led forces, and extremist groups continue to send militants into India-controlled Kashmir.

While we praise the India-Pakistan peace initiative, I submit, Mr. Chairman, that it is irresponsible for the United States to sell F-16s to Pakistan when International Crisis Group,^a a respected internationalist group, has noted, and I quote:

"Successive military governments have brought Pakistan to a point where religious extremism threatens to erode the foundations of the State and society."

For the record, Mr. Chairman, I also wish to note that Pakistan will receive about \$2.64 billion in direct United States assistance from fiscal years 2002 to 2005. Almost half of this, which is \$1.13 billion, is security related. In other words, Pakistan is not lacking in United States military assistance, and therefore, it is ludicrous for the Administration to suggest that we must sell Pakistan F-16s in order for Pakistan to feel secure and to stabilize the balance of power between Pakistan and India.

Moreover, I fail to see the logic behind this initiative by the Administration, other than to add more fuel to the fire by forcing India now to rethink its own strategic military needs and come to a simple conclusion that our Nation is not to be trusted, and India should depend more on other countries in the region for its own security. What in the world are we doing here, Mr. Chairman?

India is the largest democracy in the world, and Pakistan is not a democracy. Let's be clear about this. Until and unless Pakistan makes serious efforts to democratize its system of government, I believe we ought not to fool ourselves by selling Pakistan F-16 fighters under the guise of fighting terrorism. Again, F-16s are capable of delivering nuclear weapons, and all Pakistan has to do is pull the trigger, and we have just created a nuclear nightmare.

While the Administration may tout or proclaim that the Indian Government supports the sale of F-16s, I say what choice does India really have? Is this what the people of India want? I know it is not what the Indian-American community wants, and the USINPAC has actively opposed the sale. At the same time, the Government of India says it is all right with the sale, but it is difficult to stop a sale that the government supports. But I ask: Is the Government of India okay with the sale because it believes the United States will include India in its missile defense program?

On the other hand, is the Administration pushing this sale so that the defense industry can add more profits to its coffers? Before President Eisenhower left office, he made a strong statement about the military defense industry profiteering at the expense of men getting killed in the field of battle. The defense industry is a multi-billion dollar industry, and I believe the sale of F-16s to Pakistan is more about corporate America's needs and less about the war on terrorism.

One can also make the argument that if we don't sell our military hardware to Pakistan, that perhaps the Europeans or others may benefit. We have persuaded the Europeans not to sell military equipment to China, but it is okay for us to sell F-16s to Pakistan. It doesn't make sense, Mr. Chairman.

Against this backdrop, the Administration stated that it seeks to help India become a major world power of the 21st century, and I am hopeful that Secretary Rocca will clarify and define what this means. As a natural ally that shares the same democratic values as the United States, I am hopeful that the Administration will recognize India as a global strategic partner by including India in the missile defense program and in the Joint Strike Fighter Program, which is scheduled to begin in 2007, which now includes Australia, Canada, Denmark, England, Italy, Norway, Turkey and the United States.

I am also hopeful that the Administration will support India's bid for a permanent seat on the United Nations Security Council. It is my belief that also China fully supports this effort.

With this, Mr. Chairman, I welcome our witnesses, and I look forward to their comments and testimony. Thank you.

[The prepared statement of Mr. Faleomavaega follows:]

PREPARED STATEMENT OF THE HONORABLE ENI F.H. FALEOMAVAEGA, A
REPRESENTATIVE IN CONGRESS FROM AMERICAN SAMOA

Mr. Chairman:

I thank you for holding this hearing on the United States and South Asia. This hearing comes only a few days after we marked up the State Department Authorization bill in which we were able to include language relating to democracy in Pakistan and this is an issue I hope we fully address this morning.

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and I trust his great mission of American diplomacy includes restoring a fully functional democracy in Pakistan in which President Musharraf, as promised, resigns his military commission as army chief and in which free, fair and transparent elections are held to reverse Pakistan's historic trend toward unstable governance and military interference in democratic institutions.

I am also hopeful that the Administration will reconsider its decision to sell F-16s to Pakistan. F-16s are capable of delivering nuclear weapons and, while Pakistan is an important partner in the campaign on terror, Pakistan has a history of using U.S. weapons platforms against India as was the case in 1965 when Pakistan launched a war against India using F-104s it had purchased from the U.S. in 1960.

Pakistan also has a history of nuclear proliferation. A.Q. Khan, the popular father of Pakistan's nuclear weapons program, confessed to selling nuclear technology abroad to North Korea, Libya and Iran, and President Musharraf pardoned him for it. While the U.S. and Pakistan have held talks on installing new safeguards on Pakistan's nuclear weapons, to date, Pakistan will not accept any demand for access to or inspections of its nuclear and strategic assets, materials and facilities.

In view of these troubling developments, I am deeply concerned by the Administration's decision to sell F-16s to Pakistan at a time when the U.S. knows little about Pakistan's nuclear weapons program or capabilities. I am also concerned that this sale will take place at a time when the U.S. has no assurances that these weapons will not be used to strengthen non-democratic forces in Pakistan.

As of now, Pakistan seems unable or unwilling to end the exfiltration of Islamic militants from territory under its control. Insurgents continue to cross into Afghanistan to attack U.S.-led forces and extremist groups continue to send militants into Indian-controlled Kashmir. While we praise the India-Pakistan peace initiative, I submit that it is irresponsible for the U.S. to sell F-16s to Pakistan when, as the respected International Crisis Group has noted, "successive military governments have brought Pakistan to a point where religious extremism threatens to erode the foundations of the state and society."

For the record, I also wish to note that Pakistan will receive about \$2.64 billion in direct U.S. assistance for FY2002-2005. Almost half of this (\$1.13 billion) is security related. In other words, Pakistan is not lacking in U.S. military assistance and therefore it is ludicrous for the Administration to suggest that we must sell Pakistan F16s in order for Pakistan to "feel secure" and to stabilize "the balance" of power between Pakistan and India.

Moreover, I fail to see the logic behind this initiative by the Administration other than to add more fuel to the fire by forcing India now to rethink its own strategic and military needs and come to a simple conclusion that our nation is not to be trusted and India should depend more on other countries in the region for its own security. What in the world are we doing here?

India is the largest democracy in the world and Pakistan is not a democracy—let's be clear about this. Until and unless Pakistan makes serious efforts to democratize its system of government, I believe we ought not to fool ourselves by selling Pakistan F-16 fighters under the guise of fighting terrorism. Again, F-16s are capable of delivering nuclear weapons and all Pakistan has to do is pull the trigger and we've just created a nuclear nightmare.

While the Administration may tout that the Indian government supports the sale of F-16s, I say what choice does India have? Is this what the people of India want? I know it is not what the Indian American community wants and USINPAC has actively opposed the sale. At the same time, the government of India says it is ok with the sale and it is difficult to stop a sale that the government supports. But I ask—is the government of India okay with the sale because it believes the U.S. will include India in its missile defense program or offer India something more?

On the other hand, is the Administration pushing this sale so that the defense industry can add more profits to its coffers? Before President Eisenhower left office he made a strong statement about the military defense industry profiteering at the expense of men getting killed. The defense industry is a multibillion industry and I believe the sale of F-16s to Pakistan is more about corporate America's needs and less about the war on terrorism just as President Eisenhower feared it would one day be.

One could make the argument that if we don't sell our military hardware to Pakistan then perhaps the Europeans or others might benefit by selling their hardware to Pakistan. But should this be justification? For now, we've persuaded the Europeans not to sell military equipment to China but at the same we say it is okay for us to sell F-16s to Pakistan. This doesn't make sense.

Against this backdrop, the Administration stated that it seeks to "help India become a major world power in the 21st century" and I am hopeful that Assistant Secretary Rocca will clearly define what this means. As a natural ally that shares the

same democratic values as the United States, I am hopeful that the Administration will recognize India as a global strategic partner by including India in the Missile Defense Program and in the Joint Strike Fighter Program which is scheduled to begin in 2007 and now includes Australia, Canada, Denmark, England, Italy, Norway, Turkey, and the U.S. I am also hopeful that the Administration will support India's bid for a permanent seat on the United Nations Security Council.

This said, I welcome our witnesses and I look forward to their comments and testimony.

Mr. LEACH. Thank you.

Representative Watson, do you wish to make—Mr. Ackerman, do you want to make an opening statement?

Mr. ACKERMAN. Thank you, Mr. Chairman.

I thank you for scheduling today's hearing and for assembling such a distinguished panel of witnesses.

With regard to India and Pakistan, we have, I think, a tale of two policies, one new and visionary, and another old and stale.

In the wake of Secretary Rice's visit to New Delhi, a whole range of new possibilities has emerged to strengthen and deepen the ties between India and the United States. Close cooperation and technology sharing on civilian space launches and nuclear power, as well as the possible purchase and even co-production of advanced fighter aircraft, are all things that a few years ago would have seemed unattainable but are now within reach. It is a measure of how far we have come that the United States is offering the kinds of cooperation and technology transfers usually reserved for our closest allies, and that is the biggest difference.

Our entire strategic frame of reference has changed when it comes to thinking about India. We no longer see India through the lens of the Cold War and as an ally of the former Soviet Union. Instead, we see India as an important actor on the regional stage and as a nation poised to become a global power.

But in the case of Pakistan, no such vision exists. In Pakistan, we have reverted to the old Cold War paradigm of supporting any government, however unsavory, that at the moment supports us. And we have invested a great deal in a single man who overthrew his elected government in a coup to ensure that support. But if there was ever a poster child for the President's forward strategy of freedom, Pakistan is it. Yet the President never even mentions Pakistan when he is talking about nations where democratic reform is the necessary antidote to extremism.

One would think that—in a country with a history of sectarian violence, military domination of politics and support for Kashmiri terrorists that serve as proxies against India—the United States would be doing all that we could to encourage the development of strong democratic political institutions and moderate political parties, but we are not. Every year, the Congress authorizes the President to waive democracy-related sanctions against Pakistan, and every year, the President finds he must exercise that authority. In return for our magnanimously setting aside our own laws, President Musharraf altered the Pakistani Constitution, conducted a lopsided referendum on his own rule, marginalized the secular civilian political parties, institutionalized the role of the military in Pakistani politics, and reneged on his promise to the Pakistani people and to us that he will resign his military commission.

For those who argue that we must support Musharraf or we would wind up with mullahs who have the bomb, I suggest it is a false choice but that our current policy of acquiescing in the marginalization of moderate secular political parties could make it a self-fulfilling prophesy.

One might also think that, in a country with not only a well-documented inability to control its own most sensitive nuclear technology but indeed a proactive effort to export it, the United States might be circumspect about providing Pakistan with our own military technology, but that is not the case. The Administration's announcement that the United States would license the sale of F-16s to Pakistan is only the latest in an ever-escalating list of weapons lists that we seem only too happy to provide to Pakistan.

And what do we get for setting aside our democratic principles, our concerns about nuclear proliferation, and showering Pakistan with military hardware? Why, cooperation in the global war on terrorism. But I think we should look closely at that cooperation, Mr. Chairman, because while Pakistan seems ready to arrest lots of al-Qaeda operatives, they don't seem nearly as eager to clamp down on their own home-grown terrorists. Those Kashmiris and Jihadists that the Pakistani military and intelligence services are so fond of using against India seem to operate with impunity.

Yes, some of these organizations have been banned, but they simply reemerge with the same leadership under different names. Cooperation in the war on terrorism must mean fighting all terrorists, al-Qaeda and Pakistani extremist groups, not just the ones that they find the most convenient.

In the end, I am left puzzling over what we are trying to achieve in a relationship with Pakistan. I must conclude that Pakistan has become a management problem, meaning that this Administration just needs to keep it together long enough to hand it off to the next Administration.

Thank you, Mr. Chairman, and I look forward to hearing from our witnesses.

Mr. LEACH. Thank you.

Yes, Ambassador Watson.

Ms. WATSON. Thank you so much, Mr. Chairman, for this hearing.

And I welcome Assistant Secretary Rocca as well as any of the other witnesses that are here today.

I am going to be listening closely to their testimony regarding a broad range of issues with respect to South Asia, human rights protections of great interest, economic development, relationships between India and Pakistan, counternarcotics, terrorism, and the nuclear issues.

It appears that at the center of the Administration's South Asia policy is strengthening its ties to India. Central to our relations with India are also the issues of preventing nuclear war on the subcontinent, supporting improved Indo-Pakistan relations, and building a long-term and stable relationship with Pakistan.

The two countries, India and Pakistan, have been at the edge together for too long, and we need to have policies directed toward those two nations that will enhance some kind of negotiation and

agreement between the two nations. So I look forward to the testimony today and these issues of interest.

Thank you, Mr. Chairman.

Mr. LEACH. Thank you very much.

Mr. Crowley, you are with us this morning, would you care to make any comments?

Mr. CROWLEY. Thank you, Mr. Chairman. Thank you both to yourself and Mr. Faleomavaega for holding this hearing today.

I want to thank Under Secretary Rocca for being here today. Though I am not a Member of the Subcommittee, I appreciate the Chairman and Ranking Member allowing me to participate in this important Subcommittee hearing.

Assistant Secretary Rocca, it is great to see you once again. Welcome home after a trying trip. And we have gotten to know each other fairly well, given my interest in South Asia, so I appreciate seeing you again.

I would like to thank the panel of witnesses for testifying before the Committee, and I am eager to hear your testimony. And I will keep my remarks short.

I have a strong interest in South Asia, as I mentioned, not just because I represent one of the largest populations of South Asians in the country, but because I have always been fascinated by the subcontinent since I was a young boy. In fact, it goes back to George Harrison's—but we don't have time to go into that right now—concert in Bangladesh, 1971, but it is a story for another time.

Most of my South Asian constituents come from Bangladesh and India, but I do have sizeable communities from Pakistan and Sri Lanka as well. South Asia is a region of incredible economic and strategic importance for the United States and our world, and I believe it is imperative we continue our strong ties with South Asian nations and continue to encourage them to remain engaged with each other through the South Asian Association of Regional Cooperation, also known as SAARC. It is my understanding that they have not met as a full group in close to 2 years now. The SAARC countries need to be a strong unit so they can deal with many of the problems that exist on the subcontinent today, like terrorism, human trafficking and poverty, just to name a few.

The media—and I have to admit, many of us in Congress spend a good amount of time focusing on just two countries in South Asia: India and Pakistan. India and Pakistan, thankfully, are looking at a better and better relationship every day, but I believe we must continue to play an active role on the issues of bringing a sustained and lasting peace between the two nations.

I also think it is imperative that we hold our ally on the war on terror, Pakistan, accountable. The United States and the rest of the world still don't know the full extent of Pakistan's nuclear hero, Dr. A.Q. Khan, and his illegal nuclear black market network. It is imperative that Pakistan allow Dr. Khan to be interviewed by the United States or the IAEA to make sure that we know who he sold and assisted nuclear technology with and to. Nuclear weapons in the hands of terrorists are the biggest threat I can imagine, and I urge the Administration to do all it can to find out the full extent of Dr. Khan's network.

While I support the attention both India and Pakistan receive in the United States, I implore my colleagues and the Administration to make sure serious efforts are in place to look beyond just India and Pakistan and South Asia. I know that more attention is being paid to Bangladesh, and I am appreciative of that, and I would like to commend this effort. And I would also like to pour some praise on your Deputy Assistant Secretary Gastright and the Bangladesh country office, Ms. Rasic, and the rest of your bureau. They have been incredibly helpful to my office, and have always been ready to provide briefs on the current situation as it pertains to Bangladesh.

And while I have seen great strides by Bangladesh on the economic front, I am concerned about the lack of transparency of all levels of government. I would like to also know about the status of the tsunami efforts in South Asia, specifically in Sri Lanka, where I had the opportunity to visit and see destruction of that wall of terror and what it left behind.

I hope to address these and other issues affecting the nations of South Asia with you and the panelists, and look forward to hearing your testimony.

Once again, Mr. Chairman, thank you very much for recognizing me.

Mr. LEACH. Well, thank you, Mr. Crowley.

I see Mr. Rohrabacher is with us. Would you care to make an opening statement?

Mr. ROHRABACHER. Just very quickly, Mr. Chairman. Thank you very much.

This part of the world seems to only capture our attention in times of crisis. And let me echo some of the thoughts of my colleagues when I would suggest to the Administration that a full accounting of the activities of Dr. Khan in terms of his nuclear proliferation—I don't know if I am pronouncing nuclear right or not, some people tell me the President mispronounces it, but maybe I mispronounce it, too. I don't know, but the Administration should make sure we have a full accounting. We shouldn't back away from that. We have not made that demand. It is ridiculous for us not to make that demand. We are talking about something that casts a shadow across the safety of hundreds of millions of people. And for this Administration not to have insisted that if Pakistan is going to have any type of relationship with us, that this doesn't—isn't of highest priority. The fact is, yes, they are helping us fight the terrorists they created in Afghanistan. That is what it comes down to in Pakistan. They created the Taliban. And I am glad they are helping us fight the Taliban, and I am willing to accept friends who turn around, but Dr. Khan may well have provided technology information that would put us all at risk, and we can't put that on a second tier.

Second of all, this Administration nor any Administration prior to this Administration that I know of ever has taken the issue of Kashmir seriously, and that is perhaps because India refuses to consider the fact that the people of Kashmir have a right to vote to control their own destiny and has blocked any attempt as mandated by the U.N. to have a vote. If we have a vote, we could end that conflict. But the United States, again, inexplicably has not de-

manded a vote of those people nor has any democratic solution. So I would hope this Administration lives by the principles set down by the President in terms of democracy as our goal. Let's have a democratic vote in Kashmir. Let's take a tough stance with Dr. Khan.

And those are my thoughts today, Mr. Chairman. Thank you very much. Looking forward to hearing the Administration's response.

Mr. LEACH. Well, thank you, with all that good advice.

Secretary Rocca, we welcome you, and we welcome you as a professional who has provided good stewardship with American foreign policy. Please, without objection, your full statement will be placed in the record, you may proceed as you see fit.

STATEMENT OF THE HONORABLE CHRISTINA B. ROCCA, ASSISTANT SECRETARY, BUREAU OF SOUTH ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Ms. ROCCA. Thank you, Mr. Chairman.

I will submit much longer testimony for the record, but I will keep my remarks brief so that we can have the exchange that I think we both would like to have on this very important issue of South Asia.

First, let me thank you for holding this hearing today and for inviting me here to discuss the United States' relationship with South Asia. It is our first opportunity to do so since the start of the second Bush Administration. It is our first opportunity to review with you what has been accomplished in the past 4 years and to discuss our goals for the future.

Our main goal is to move forward firmly and irreversibly on the paths to stability, democracy, moderation and prosperity. The United States now has a very active and productive relationship with each country in South Asia. During the second Administration, President Bush has made clear his intention that we should continue to build on these already strong relationships and move them all to the next level. There are significant challenges to overcome, but the rewards for both South Asia and the United States definitely make the effort worthwhile.

We are taking a regional approach on some issues, such as improving stability, seeking greater economic strength through greater interregional trade and cooperation and stronger democratic institutions in all South Asian countries. All of South Asia is familiar with democracy. Most of the countries in the region have some experience with it. But democratic institutions are seriously challenged in parts of the region. The U.S. is helping to develop democratic tools, such as the rule of law, independent media, grassroots activism, good governance and transparency through which these nations can address the fundamental problems of extremism, security and development. Their success would bolster stability throughout the region.

Our relationship with each South Asian country stands on its own, and I will review them briefly. With India, this is a watershed year with United States-India relations. We are accelerating and transforming this relationship, which grew briskly over the past 4 years. We are now ready to take it to the next level, as the Sec-

retary said when she visited there in March, and as Congressman Ackerman so succinctly pointed out. We have a number of new initiatives. We are engaging in new strategic dialogue on global issues and on defense and on expanded advanced technology cooperation. We are continuing our dialogue in important ways so that we can jointly address democracy, human rights, trafficking of persons, environmental protection and sustainable development and cooperation in science and advanced technology.

India and the United States have begun a high level dialogue on energy to include nuclear safety and civil nuclear issues, and formed a working group to strengthen cooperation. Our defense relationship is expanding, and we are revitalizing our economic dialogue. The United States' relationship with India and our commitment to develop even deeper political, economic, commercial and security ties have never been stronger. The U.S. economic dialogue initiative is focused on enhancing cooperation in four areas: Trade, finance, commerce and environment. We signed a landmark Open Skies civil aviation agreement just last April. We are supporting India as it moves forward in financial, trade, energy, water and agriculture reforms, and are establishing a forum of United States and Indian chief executive officers to discuss specific and innovative ways that we might be able to improve our economic ties. We will use our high level dialogues with India to address the differences also in trade and investment issues, including tariff and nontariff barriers, intellectual property protection and various trade disputes.

With Pakistan, Mr. Chairman, over the past 3 years, Pakistan's Government has taken steps necessary to make this country a frontline ally in the war on terrorism and to set it on the path to becoming a modern, prosperous and democratic state. There is still a way to go, as I will lay out here.

Pakistan has supported United States operations in Afghanistan. They are rooting out al-Qaeda and its terrorist allies in its tribal areas at the cost of more than 200 of its own soldiers, killing or capturing hundreds of foreign terrorists and militants. It has also continued its cooperation in building a stable and democratic Afghanistan and countering nuclear proliferation. Pakistan's relationship with Afghanistan has improved. Trade between the two countries has grown dramatically, and they have jointly reaped enormous benefits, with Afghanistan serving as a land bridge between Central and South Asia and the world beyond.

Pakistan is cooperating with the international community's efforts to dismantle the A.Q. Khan network, sharing with us information from its own investigation, including information received from Dr. Khan, and we expect this cooperation to continue.

Democracy is another central focus of our relationship. We expect Pakistan's 2005 local and 2007 general elections to be free and fair throughout the entire process. And we believe that democracy, freedom and rule of law are the best counters to that hatred, extremism and terrorism. And in that context, I would like to say that we are dismayed at the treatment being meted out to a courageous woman, Mukhtaran Bibi, who is herself a victim of a horrendous crime and is being denied the right to travel and tell her story. Our Embassy has been in touch with her friends today but has been un-

able to make contact with her directly so far. We will pursue this matter during the course of the day. Human rights in Pakistan is, of course, a critical component to the country's ultimate success.

Another critical component is Pakistan's economy, and in the last 4 years, it has moved from crisis to stabilization, and now to significant growth. Providing the promise of a better future for Pakistanis will be a very important part of the country's success in overcoming extremism. Expanding economic relations between the United States and Pakistan are important to our overall relationship, and we are negotiating a bilateral investment treaty with Pakistan to strengthen our commercial and economic ties.

The centerpiece of the United States' commitment to a long-term relationship with Pakistan is the President's pledge to work with Congress to provide Pakistan with \$3 billion in military and economic assistance from 2005 through 2009. Also, the President has announced his intention to move forward with the sale of F-16 aircraft to Pakistan, recognizing its vital cooperation in the war on terror and sending a clear signal of our determination to stand by Pakistan for the long haul. This sale will make Pakistan more secure without upsetting the regional military balance, and as a result, it will be easier for Pakistan to take steps necessary to build a lasting peace with its neighbors.

On the India-Pakistan front, President Musharraf and Prime Minister Singh have taken bold steps to push forward with reconciliation between their countries, contributing to overall stability in the region. We continue to encourage the wide-ranging dialogue between India and Pakistan to settle the issues that divide them, including Kashmir. And the agreement to start a bus service across the Line of Control in Kashmir is a dramatic breakthrough that involved difficult compromises on both sides. It is having a real impact on the lives of average Kashmiris, allowing them to resume contacts between long separated populations. And we are continuing to encourage both sides to take advantage of the momentum that has been created by the statesmanship that both country leaders have shown.

In Sri Lanka and the Maldives: In Sri Lanka, the United States continues to support Norway's facilitation of a peace process. The peace process has stalled due in part to divisions within the Sri Lanka Government and the absence of trust between the government and the LTTE, which continues to use terrorism. The parties have been negotiating a joint mechanism agreement to regulate the distribution of tsunami reconstruction aid. We firmly support this as an opportunity to build trust between the parties and remain prepared, along with other donors, to help Sri Lanka address urgent post-conflict and reconstruction needs.

We strongly support the reform process in the Maldives as well, which we hope will open the political process to active party activities. Like Sri Lanka, the Maldives was also devastated by the tsunami, and the United States has been a major donor of relief in the Maldives and is committed to help with reconstruction and political reform.

Democratic Bangladesh is a valued partner in the war on terror and a leading contributor of troops to the U.N. peace mission worldwide. Regrettably, political rivalries, failures of governance,

wide-spread corruption and rising extremism threaten democratic stability and threaten to drag down economic growth. While Bangladesh faces many challenges, we believe it has the potential to build a secure, peaceful and prosperous future, and we are supporting those efforts. We engage the Bangladesh Government on a range of important issues, including democracy and human rights, fighting corruption and countering extremism.

We are encouraging all parties to fully participate in the parliamentary elections scheduled for 2006–2007, and we are emphasizing the need for those elections to be free and fair. Bangladesh's problems risk increasing the attractiveness of radicalism, and we caution the government about the dangers that are posed by extremism in their country.

On Nepal and Bhutan: We remain very concerned about Nepal. The events of February 1st seriously set back Nepal's democracy and eroded even further the unity of legitimate political forces in opposition to Maoist insurgents.

It is essential that the King's Government fully restore civil liberties and the legitimate political parties join it in addressing the insurgency and Nepal's serious developmental problems. An important step forward would be the beginning of a dialogue between the King and political parties to restore multiparty democratic institutions under a constitutional monarchy.

The United States firmly supports Nepal's efforts to counter the Maoist insurgency. A Maoist takeover would have profoundly negative effects, both in Nepal and in the region, and the humanitarian consequences would be devastating. The Maoists must renounce violence and engage in the political process to resolve their differences. There is no military solution to this problem.

United States assistance to Nepal overwhelmingly focuses on its profound development needs, and since February 1st, we have continued our nonlethal security assistance, but our lethal security assistance remains under review.

We applaud and support Bhutan's process of political reform and transition to constitutional monarchy, which would lead to improvements in civil liberties and government accountability. We continue to work with Bhutan and Nepal to resolve the plight of more than a 100,000 refugees from Bhutan who have been in camps in Nepal for over a decade. We are working closely with the UNHCR and NGOs to assure the welfare of many resident and transiting Tibetans in Nepal.

In conclusion, Mr. Chairman, there have been many positive developments in South Asia recently, particularly in India and Pakistan, which give us reason for optimism. At the same time, there are areas of real concern, such as Nepal. But I feel confident in saying that much of South Asia already is fulfilling some of its potential to be a source of stability, moderation and prosperity, although much remains to be done for it to fully realize its promise. We have every intention to encourage and assist this process wherever we can.

Thank you. And I will be happy to take any questions.

[The prepared statement of Ms. Rocca follows:]

PREPARED STATEMENT OF THE HONORABLE CHRISTINA B. ROCCA, ASSISTANT
SECRETARY, BUREAU OF SOUTH ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. Chairman and members of the Subcommittee, thank you for inviting me to join you today to discuss the United States relationship with South Asia. This is our first opportunity since the start of the second Bush Administration to review what has been accomplished in the past four years and discuss our goals for the future. We now have an exciting window of opportunity to work with our partners in South Asia and make truly historic progress. Our goal is to move forward firmly and irreversibly on paths to stability, democracy, moderation and prosperity.

President Bush came to office in 2001 recognizing the growing importance of South Asia to the United States. He directed that the United States build stronger relationships with all of the countries in the region. This has been accomplished; the United States now has very active and productive relationships with every country in South Asia. During his second Administration, the President has made clear his intention that we build on these already strong relationships and move to the next level. There are significant challenges to overcome, but the rewards—for South Asia and the United States—definitely make the effort worthwhile.

As we pursue our bilateral goals, our relationship with each South Asian country stands on its own, and I will review these relationships shortly. We also take a regional approach on some issues, for example seeking to improve stability by encouraging states to overcome their differences. Since greater prosperity and economic interdependence would buttress stability and moderation, we seek strong economic growth in South Asia through greater intra-regional trade and cooperation in areas such as energy. We are supportive of the efforts by the SAARC countries to establish the South Asian Free Trade Area (SAFTA). We are providing assistance to these efforts through a USAID funded high-level team of researchers who are working with counterparts in the region to produce a SAFTA study to support the process.

Stronger democratic institutions are a central goal for us in South Asia. All South Asians are familiar with democracy, and most have some degree of experience with it. But democratic institutions are seriously challenged in parts of the region. The United States is helping develop democratic tools such as the rule of law, independent media, grass roots activism, good governance and transparency through which these nations can address the fundamental problems of extremism, security, and development. Their success will bolster stability throughout the region. Progress in South Asia will have global consequences.

INDIA:

This is a watershed year in U.S.-India relations. Since Secretary Rice's trip to New Delhi in March a series of visits by senior officials from both countries, including Minister of External Affairs Natwar Singh, have underscored the importance of our developing stronger ties. Prime Minister Manmohan Singh will be coming to the United States in July and President Bush has said he hopes to visit India soon. We are accelerating the transformation of our relationship with India, with a number of new initiatives. We are engaging in a new strategic dialogue on global issues, and on defense and expanded advanced technology cooperation. We are continuing our dialogue on the global issues forum, which includes discussion of how we can jointly address such issues as democracy, human rights, trafficking in persons, environment and sustainable development, and science and advanced technology. India and the United States have begun a high-level dialogue on energy security, to include nuclear safety, and a working group to strengthen space cooperation. Our defense relationship is expanding and we are revitalizing our economic dialogue. The United States relationship with India and our commitment to develop even deeper political, economic, commercial and security ties have never been stronger.

As Secretary Rice has said, we see India becoming a world power in the 21st century, and our dialogue with India now touches on broad issues around the region and the world. The United States is supportive of India's growing role as a democracy that is stepping onto the world stage to take on global responsibilities. India joined the United States as a charter member of the core group of countries formed to coordinate tsunami relief, and played a prominent role in providing immediate aid to affected South Asian countries. We are consulting closely with the Indians on how to help the Nepalese resolve their current political crisis, and India has been supportive of the peace process in Sri Lanka.

The U.S.-India Economic Dialogue initiative is focused on enhancing cooperation in four areas: finance, trade, commerce and the environment. The April 2005 signing of a landmark Open Skies civil aviation agreement shows our shared commitment to strengthening our economic relationship. We are supporting India as it moves for-

ward with financial, trade, energy, water, and agriculture reforms designed to sustain and elevate India's impressive rate of growth and reduce poverty. Reforms in these areas would allow pursuit of new opportunities with the United States in a variety of high-tech fields and would allow Indian consumers a greater choice of goods and services. Additionally, we are establishing a forum of U.S. and Indian chief executives to discuss specific and innovative ways to improve economic ties.

Building this stronger economic and commercial relationship between the U.S. and India faces challenges, however. Our exports have increased, but significant tariff and non-tariff barriers that remain are a problem for U.S. businesses interested in India's market. We will use our high-level dialogues to address differences in trade and investment issues. In the area of intellectual property protection, India's 2005 enactment of a new patent law to provide patent protection for pharmaceuticals and biotechnology inventions is a promising advance for both Indian and U.S. companies. We need to build on this effort so that India's intellectual property laws and enforcement efforts against piracy and counterfeiting become world-class, contributing to further economic development and enhancing consumer choices and creativity in India. To help accomplish our mutual economic objectives for the Indian people we also need to devote our near-term attention to additional trade disputes involving specific companies, such as U.S. investors in the power sector. We also need to deal with more general "policy" issues, such as Indian government subsidies for fertilizer and LPG and non-transparent standards.

PAKISTAN

Mr. Chairman, over the past three years, Pakistan's leaders have taken the steps necessary to make their country a key ally in the war on terrorism and to set it on the path to becoming a modern, prosperous, democratic state. As a result of forward thinking and acting, Pakistan is now headed in the right direction.

Pakistan has supported U.S. operations in Afghanistan. Pakistan is rooting out Al-Qaida and its terrorist allies in its tribal areas at the cost of more than 200 of its own soldiers. It has killed or captured several hundred foreign terrorists and militants. Pakistani law enforcement is waging a counter-terrorism campaign in other parts of the country detaining several hundred suspects including Khaled Sheikh Mohammad, Abu Zubaydah, and recently Abu Faraj al-Libbi.

We are seeing Pakistan's continued cooperation in building a stable and democratic Afghanistan and countering nuclear proliferation. In the past year, Pakistan's relations with Afghanistan have improved. President Musharraf and President Karzai are working toward a more cordial personal relationship. Trade between the two countries continues to grow dramatically, and they can jointly reap enormous benefit by Afghanistan serving as a land bridge between Central and South Asia and the world beyond. Pakistan is cooperating with the international community's efforts to dismantle the A.Q. Khan network and is sharing with us information from its own investigation, including information received from Dr. Khan. We expect this cooperation to continue.

Democratization is another focal point of our relationship. We expect Pakistan's 2005 local and 2007 general elections to be free and fair throughout the entire process. This is a message that we will continue to emphasize, as we believe that democracy, freedom and rule of law are the best counters to hatred, extremism, and terrorism. In the last four years, Pakistan's economy has moved from crisis to stabilization and now to significant growth. Providing the promise of a better future for Pakistanis will be a very important part in the country's success in overcoming extremism. Expanded economic relations between the United States and Pakistan are important to our overall relationship. We are negotiating a bilateral investment treaty with Pakistan to strengthen our commercial and economic relationship.

We will continue our efforts to improve intellectual property protection, as a means of strengthening rule of law, fostering economic progress and attracting foreign investment in Pakistan. We are encouraged by the Government of Pakistan's raids of and arrests associated with several pirate operations that were adversely affecting U.S. and Pakistani interests. Pakistan's commitment to sustaining enforcement and following through with prosecutions against piracy and counterfeiting, as well as continuing to modernize its IP regime, is important to Pakistan's development objectives, as well our long-term economic relationship.

The centerpiece of the U.S. commitment to a long-term relationship with Pakistan is the President's pledge to work with Congress to provide Pakistan with \$3 billion in military and economic assistance from 2005 through 2009. The security assistance will bolster Pakistan's capabilities to fight the war on terror—including neutralizing Al-Qaida remnants in the tribal areas—as well as meet Pakistan's legitimate defense needs. Our economic assistance supports Pakistan's efforts to strike

at the root causes of extremism by reforming and expanding access to public education and health care and by alleviating poverty through development.

We have announced that we intend to move forward with the sale of F-16 fighter aircraft to Pakistan. This sale sends a clear signal of our determination to stand by Pakistan for the long haul. The sale meets Pakistan's legitimate defense needs, making Pakistan more secure without upsetting the current regional military balance. As a result, it will be easier for Pakistan to take the steps necessary to build a lasting peace with all its neighbors.

INDIA-PAKISTAN

President Musharraf and Prime Minister Singh have taken bold steps to push forward with reconciliation between their countries, contributing to overall stability in the region. We continue to encourage the wide-ranging dialogue between India and Pakistan to settle the issues that divide them including Kashmir. Indian Foreign Minister Natwar Singh's February 15-17 visit to Islamabad resulted in an agreement to start a bus service across the Line of Control in Kashmir. This dramatic breakthrough involved difficult compromises by both sides. It is having a real impact on the lives of average Kashmiris allowing resumed contacts between long-separated populations.

Since then India and Pakistan have continued to engage each other at the highest levels. During President Musharraf's successful visit to Delhi April 16-18, he and Prime Minister Singh issued a joint statement concluding that the peace process was irreversible and agreeing to work on additional transportation links. The two countries hold regular talks to resolve differences and build confidence. We continue to encourage both sides to maintain this positive momentum brought about by their statesmanship.

SRI LANKA AND MALDIVES

Our primary goal in Sri Lanka is to help that country end more than a decade of bloody conflict between the government and the Liberation Tigers of Tamil Eelam or LTTE. The United States continues to support Norway's facilitation of a peace settlement in Sri Lanka. The cease-fire of 2002 is holding, although violence is ongoing and the peace process has stalled. This is due in part to divisions within the Sri Lankan government and the absence of trust between the government and the LTTE, which continues to use assassinations and suicide bombers, underscoring their character as an organization wedded to terrorism and justifying their designation as a Foreign Terrorist Organization.

Recovery from last December's tsunami preempted the peace process as the primary concern of both parties for the past several months. With Norwegian assistance, the parties have been negotiating an agreement to regulate the distribution of tsunami reconstruction aid. This agreement, a Joint Mechanism, is an opportunity to build trust between the parties and is therefore an important contribution to the peace process should it come to fruition. President Kumaratunga has publicly committed herself to signing the Joint Mechanism, but she faces serious challenges from members of her government who oppose the mechanism. The United States firmly supports her plan to sign the Joint Mechanism and remains prepared, along with other donors, to help Sri Lanka address urgent post-conflict reconstruction needs. The goal of peaceful reconciliation will need to help guide our post-tsunami reconstruction assistance.

Like Sri Lanka, the Maldives was also devastated by the tsunami. The United States has been a major donor of relief in Maldives and is committed to help with reconstruction. We strongly support the reform process in Maldives that will open the political process to party activities. We believe that such a process will insure greater stability and moderation and support for the United States in the global war on terror.

BANGLADESH

The United States engages the Bangladesh Government on a range of important issues, including democracy and human rights, fighting corruption and countering extremism. Democratic Bangladesh, with the fourth largest Muslim population in the world, stands as a leading contributor of troops to UN peacekeeping missions worldwide and as a valued partner in the war on terror. Its GDP growth of above five percent is satisfactory, but could be significantly better. Regrettably, political rivalries, failures of governance, widespread corruption and rising extremism threaten democratic stability and drag down economic growth. Nevertheless, while Bangladesh faces many challenges, we believe it has the potential to build a secure, peaceful and prosperous future and we are supporting these efforts.

We have a variety of ongoing activities designed to assist Bangladesh reach that potential. We have development programs aimed at increasing accountability and the transparency of Bangladesh's democratic institutions. We support civil society advocacy groups such as Transparency International Bangladesh. We are encouraging all parties to fully participate in the Parliamentary elections scheduled for 2006–2007 and emphasizing the need for those elections to be free and fair.

Unfortunately, widespread corruption hurts Bangladesh's potential for foreign direct investment and economic growth. We are pleased that the Bangladesh Government established an Anti-Corruption Commission, but this organization needs to take action. Only action against corrupt individuals will demonstrate that corruption has no place in the future of Bangladesh.

Bangladesh's widespread poverty, educational shortcomings, endemic corruption, porous borders and lack of public faith in elected government risks increasing the attractiveness of radicalism. Extremist groups operate in the country more openly. The Government acted against two of them this past February but more must be done. We have cautioned the Government about the dangers posed to Bangladesh by extremism. Human rights are also a regular topic for our dialogue with Bangladesh. We commend the Bangladesh government for measures taken to protect the rights of Ahmadiyas, although much more can and must be done following renewed attacks on their places of worship. We have expressed concern about extrajudicial murders, so-called "cross-fire" killings done by the Rapid Action Battalion.

NEPAL AND BHUTAN

We remain very concerned about Nepal. The Maoist insurgency continues to undermine political stability and prospects for development. On February 1, King Gyanendra's dismissal of the government, the curbing of civil liberties and arrests of hundreds of political activists seriously set back Nepal's democracy and eroded even further the unity of legitimate political forces in opposition to the Maoists. While some of these restrictions have since been rolled back, it is essential that the King's government fully restore civil liberties and that the legitimate political parties join it in addressing the insurgency and Nepal's serious developmental problems. An important step forward would be the beginning of a dialogue between the King and political parties to restore multi-party democratic institutions under a constitutional monarchy. Such reconciliation is crucial.

The United States firmly supports Nepal's efforts to counter the Maoist insurgency. A Maoist takeover would have profoundly negative effects both in Nepal and in the region. The Maoists must renounce violence and engage in a political process to resolve their grievances. U.S. assistance to Nepal overwhelmingly focuses on its profound development needs. Since February 1, we have continued our non-lethal security assistance. Our lethal security assistance remains under review.

Bhutan has embarked on a process of transition to constitutional monarchy and wide-scale political reforms. We applaud and support this undertaking, which should lead to improvements in civil liberties and government accountability. We continue to work with the governments of Bhutan and Nepal to resolve the plight of the more than 100,000 refugees from Bhutan who have been in camps in Nepal for a decade. We want both sides to resume discussions as soon as possible to find a way forward. We also want the Government of Bhutan to begin repatriation of the eligible refugees soon. In addition, we are working closely with UNHCR and NGOs to assure the welfare of the many resident and transiting Tibetans in Nepal.

CONCLUSION

Mr. Chairman, as you can see, there are many challenges as well as opportunities for the United States in South Asia. There have been many positive developments recently, particularly in India and Pakistan, which give us reason for optimism. At the same time, there are areas of real concern, such as Nepal. But I feel confident in saying that much of South Asia already is fulfilling some of its great potential to be a source of stability, moderation and prosperity, although much remains to be done for it to fully realize its promise. We have every intention to encourage and assist this process wherever we can.

Thank you, and I would be happy to take questions.

Mr. LEACH. Well, thank you, Madam Secretary.

I would like to just turn for a second to Sri Lanka. When several of us visited Sri Lanka in the wake of its tsunami, there was a lot of optimism that the good will of national and international efforts

dealing with the tsunami could have some impact on the ongoing civil war. Have you seen any evidence of that?

Ms. ROCCA. At the moment, things are deadlocked. The joint mechanism was the system that was going to allow the parties to talk on how to distribute aid into the LTTE regions. We had hoped it would be a good confidence-building measure. At the moment, it is bogged down in political fights within the Sri Lanka Government body politic. We continue to encourage and to support the joint mechanism, and we hope that it will be signed. We are working with our European and Japanese colleagues to encourage the President to move forward on this, but at the moment, there has been no progress.

Mr. LEACH. Well, I was impressed when I was there of the U.S. presence-wise in all regards except one, and that was my sense, was the U.N. had a substantially better presence in the areas than the United States did and that our presence in these areas was not significant at all. Would you comment on that? Is that wise or unwise?

Ms. ROCCA. We are prohibited by law. The LTTE is a designated foreign terrorist organization, and we are prohibited by law from dealing directly with them. We continue to hold out the possibility that if they renounce terrorism, give up violence and enter the body politic, then there is the opportunity to talk with them, but at the moment, there isn't. So most of the assistance that we are providing to that region, to that area, goes through NGOs.

Mr. LEACH. Well, when it comes to humanitarian assistance, I think there ought to be greater flexibility on the United States' part. Do you have any recommendations in that regard?

Ms. ROCCA. Well, we actually have the possibility of talking to them at lower levels with respect to just very technical issues—where assistance should go. The U.N. has really taken the lead. We have provided a lot of assistance to NGOs in the region, and the UNDP has been very active up there. They are taking the lead in that. It seems to be working so far.

Mr. LEACH. Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. I have the highest respect and admiration for the people of Pakistan and their efforts in trying to reach some level of reform of democratization of their government.

I recall, years ago, we had a congressional delegation in Pakistan, and I had the privilege of meeting then duly-elected President of Pakistan, his name was Shariff. But when there is a military coup, which is exactly what happened when General Musharraf took the power unilaterally from the duly-elected President of Pakistan, I think there is a—I have a problem with this, Madam Secretary, and I would appreciate if you can help me. The fact that this coup took place, they now have a military person, coup, having absolute power in the Administration to control of Pakistan as a country. And I wanted to ask you, is this really what the people of Pakistan want, in your best judgment of the situation? And also, how many years has Mr. Musharraf now been President of Pakistan?

Ms. ROCCA. I believe he took over in October 1999.

Let me just say that there is no disagreement between us on the need for Pakistan to become a fully functioning democracy, and that is what we are working toward. And in that regard, we are helping to build up the institutions and make the playing field as level as possible so that the elections—the grassroots, local elections that take place this summer, as well as the general elections that will take place in 2007—are as fair and free as they can be.

We always have a lot of interchange with the political parties in Pakistan. On my last trip there, just 2 weeks ago, I met with almost all of them, as I usually do on almost all the trips.

Democracy remains one of the top priorities in Pakistan, and we are moving in that direction. And we have had assurances that they will be fair and free elections in 2007.

Mr. FALEOMAVAEGA. But this is what President Musharraf said a year ago, that he was going to step down and allow the elections to go forward, and then all of a sudden, he changed his mind again.

Ms. ROCCA. I don't believe there were general elections scheduled, sir.

Mr. FALEOMAVAEGA. What elections were there, then?

Ms. ROCCA. He had set a deadline for December 2004 for taking off the uniform. It was unrelated to elections, I believe.

Mr. FALEOMAVAEGA. Then taking off his uniform in 2004. Then what happened? He reneged on his promise.

Ms. ROCCA. We have left that up to the Pakistanis. What we are looking for is helping Pakistan remain stable and moving toward free and fair elections in 2007, when the general elections are scheduled.

Mr. FALEOMAVAEGA. I would like to quote your statement here. It says:

“We intend to move forward with the sale of F-16 fighter aircraft to Pakistan. This sale sends a clear signal of our determination to stand by Pakistan for the long haul. This sale meets Pakistan's legitimate defense needs, making Pakistan more secure, without upsetting the current regional military balance.”

Can you clarify this exactly? What military balance are you referring to?

Ms. ROCCA. Whenever we sell weapons, I think in almost any part of the world, we look at the regional dynamic and whether it will negatively affect the regional dynamic and the tensions in the region. And our analysis is that sale of F-16s to Pakistan will not do so.

Mr. FALEOMAVAEGA. And India has agreed to this?

Ms. ROCCA. We talked to the Indians about it, and the Indians have expressed themselves publicly, as you note. But we are moving forward also with the sale of—we have allowed companies to bid to sell F-16s or F-18s to India. There is a tender out for 126, which we have allowed U.S. companies to bid on as well.

Mr. FALEOMAVAEGA. So the current bidding process that we have now for the sale of F-16s to Pakistan, what are we talking about? What is the cost of it?

Ms. ROCCA. In terms of the numbers?

Mr. FALEOMAVEGA. No. What is the dollar value of the F-16s we are selling to Pakistan?

Ms. ROCCA. I don't know, sir. I don't know how this is going to end up. We are still in negotiations as to how many they want and what the cost will be, and I think that depends on the numbers. It is my understanding that it depends on the numbers that they order.

Mr. FALEOMAVEGA. So they really have not come to a definite number that we are going to sell to Pakistan?

Ms. ROCCA. Not to my knowledge, not as of when I left this morning. We are still talking to the Pakistanis about that.

Mr. FALEOMAVEGA. A number of years ago, and correct me if I am wrong, Pakistan paid in advance, I think, about \$600 million worth of jet fighters from our own country, but then we reneged on the deal, and we decided not to deliver the jet fighters, but at the same time, we kept the money. Can you share with us what we did with the money that Pakistan paid? And we not only never delivered the aircraft, but we kept the money.

Ms. ROCCA. Actually, we reimbursed Pakistan for about, if memory serves me correctly—and I will correct this if I am wrong—but I believe we gave them back about \$700 million, and the rest is paid off in kind in PL 480.

Mr. FALEOMAVEGA. So we find that you did reimburse them for—

Ms. ROCCA. Yes.

Mr. FALEOMAVEGA. Okay. I stated earlier that we were able to persuade the Europeans not to break the moratorium, not to sell the military hardware to China, yet we are selling the hardware to another country like Pakistan. Are we giving India a deal just as much—we are selling F-16s to Pakistan. You say that we are also selling them to India, about 126?

Ms. ROCCA. That was the tender that they put out. I don't know if they are going to go with the American fighter. I understand there are a lot of American companies to compete.

Mr. FALEOMAVEGA. How much does each F-16 cost? I am not a mathematician—

Ms. ROCCA. I am sorry, I don't know the number.

Mr. FALEOMAVEGA. Can you provide that for the record?

Ms. ROCCA. Yes.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE CHRISTINA B. ROCCA TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE ENI F.H. FALEOMAVEGA

The F-16C/D Block 50/52 configuration has an estimated flyaway cost of \$40–45 million per plane. It is important to note this is only an estimate since the actual cost will depend on the various sub-systems and avionics packages included in the final package. What sub-systems and avionics packages will be included is the topic of an ongoing inter-agency disclosure dialogue. Once a decision is reached, we will further discuss this with Congress.

Mr. FALEOMAVEGA. The bottom line, this is a multibillion dollar stake here, right?

Ms. ROCCA. Right, depending on the numbers.

Mr. FALEOMAVEGA. Concerning Mr. Khan's nuclear network, what is the status of Mr. Khan's nuclear network program that has happened with the countries that he sold military technology or nu-

clear technology to, especially North Korea? Isn't it common knowledge that this has been going on for years, until last year when we finally came publicly out about this whole idea that Khan was doing this?

Ms. ROCCA. Congressman, this is something that I really can discuss only in generalities in an open forum, but let me say that we are absolutely intent, and we are going after the network and pulling it out at all levels and all countries. And we have got a lot of cooperation from a number of our friends and allies because it was a global network. A lot of the information that we are using to pull it up comes from Pakistan. And we have had cooperation from the Government of Pakistan.

And in that regard, I would also like to say that Pakistan has recently sent components of centrifuges to the IAEA for testing in order to help us with the Iran issue.

Mr. FALEOMAVAEGA. Madam Secretary, please understand that I have the highest respect for you and the responsibility that you bear, so I am not trying to kill the messenger here. I am just trying to unravel the whole situation in my own mind how we have got to deal with our relationship with Pakistan.

I know my time is up, Mr. Chairman. I will wait for the second round.

Thank you, Madam Secretary.

Mr. LEACH. Mr. Rohrabacher.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman.

I have to admit that I was under the false impression that the sale of the F-16s to Pakistan was in response to their payment years before, that we had held off payment, and so I question the sale, even under those circumstances. I thought maybe we should give the money back, but this is even more outrageous, frankly. What is this Administration thinking about having a country as poor as Pakistan spending this kind of money on F-16s? Let me ask you, does the F-16, is this a let's say viable weapon on the war on terrorism? I don't think so. F-16 is how you fight India. It is not how you fight the terrorists. This is outrageous.

Maybe you can enlighten me on how we can, in good conscience, permit such a poor country that doesn't even have a healthcare or education system for their people to expend money on a blue ribbon show-off weapon system like the F-16.

Mr. FALEOMAVAEGA. Will the gentleman yield?

Mr. ROHRABACHER. No, I want to hear the answer.

Ms. ROCCA. Congressman, let me just quote the Secretary, when she was talking about the new strategy toward the region. We are looking at a Pakistan that is greatly different from where it was 3½ years ago, that has made tremendous strides. Before 9/11, this was a country that was supporting the Taliban, and look where we are now. They are the front line in the war on terror. They are saving American lives every day.

The intent with the F-16s was to essentially signal our—to consolidate the relationship that we have built so far and signal to Pakistan our long-term commitment, in addition to the long-term commitment assistance that we are providing in all the social sector areas that you raised.

Mr. ROHRABACHER. Are we providing Pakistan with—thus, we are providing them the aid in those areas that they would be spending money for education and healthcare, we are just giving them aid rather than letting them pay for it themselves. And they can give our people the F-16s—

Ms. ROCCA. Our assistance is predicated in—our ESF assistance, part of it is predicated on what we call shared objectives with Pakistan. It is about budget support—

Mr. ROHRABACHER. What shared objective do we have with Pakistan that will be fulfilled by an F-16? This is not a weapon used in the war on terrorism.

Ms. ROCCA. On the issue of weapons used in the war on terror, I would be happy to talk to you in another forum.

Mr. ROHRABACHER. All right. Let me just say that this is one of the most ridiculous decisions that I have heard in recent—the Administration received ample criticism for it. By the way, I don't think we should sell F-16s to India either. These are both poor countries. We should be encouraging people in poor countries to have the weapons only that they absolutely need, and the money otherwise should be going to building up their economy so they do have a bright future. F-16s are not going to produce any more wealth for the people of Pakistan or the people of India so that their people live any better.

About Pakistan, again, I am sure you are aware of the fact that a plane that left from Pakistan landed in China, and it was filled with components for building nuclear weapons, and then was permitted by China to go on to North Korea. You know this incident?

Ms. ROCCA. This is the kind of thing that I can only discuss in another forum, sir.

Mr. ROHRABACHER. Well, it is already in the newspaper. I don't know why people in the Administration can't discuss things that are in the newspaper.

Ms. ROCCA. I can't confirm or deny what is in the newspaper.

Mr. ROHRABACHER. Let me just note that this seems to be an accurate report. I just want to know if this is a—if this is true, how can we possibly suggest that Pakistan is helping in any way in nonproliferation, especially when they won't even let us talk to Dr. Khan? Now we haven't spoken directly to Dr. Khan. Is that correct?

Ms. ROCCA. I would be happy to talk to you in another forum, sir.

Mr. ROHRABACHER. All right. Let me note then, also, that the fact that this plane was permitted—with full Chinese knowledge—to fly on to North Korea with what they needed to build their nuclear weapons. I think it says something about Pakistan, but it also says something about China. And I would hope that the Administration does not put all of its eggs in the let's-get-China-to-help-us-with-North-Korea basket when there is every indication that the Chinese were involved in helping the North Koreans, through the Pakistanis, develop those nuclear weapons.

Ms. ROCCA. Congressman, can I just say one thing that I can say in an open forum? And that is that we believe that we are getting what we need from Pakistan to dismantle this network.

Mr. ROHRABACHER. Well, I would hope so because they are the ones who created the network. We are talking about an alliance between China and Pakistan that has done more to put the world at risk of nuclear incineration than any other cooperative agreement between countries that I can imagine in my lifetime. And this shouldn't be, again, put on the second tier of consideration. And whoop-de-do, I mean, I am very happy that the Pakistanis are now cooperating with us again to help us to defeat the enemy that they created in Afghanistan.

And look, I am not pro-India or pro-Pakistan, but I am pro-truth. And the Indians should be ashamed by what they are doing in Kashmir by not allowing those people to vote, but the Pakistanis have a lot to account for, even though they were on our side during the Cold War. And with that, I would be happy to yield to Mr. Faleomavaega.

Mr. FALEOMAVAEGA. I thank the gentleman for his concern about the sale of F-16s to Pakistan or to India for that matter.

One of the distinctive features of the F-16 fighter is that it is capable of carrying nuclear weapons, and that is all there is that needs to be said as far as I can see, that we are actually adding fuel to the fire in this respect. And I thank the gentleman for allowing me—

Mr. ROHRABACHER. Thank you very much.

Mr. LEACH. Ambassador Watson.

Ms. WATSON. Thank you so much, Mr. Chairman.

My line of questioning goes along with representative Rohrabacher's line of questioning, too. I have heard your responses, and I am sensitive to the way you responded.

I would like to lay out some questions, and I would hope the Chairman would ask for a classified session so that we can get some answers and have a better perspective about what is going on.

The foreign policy—

Mr. LEACH. If the gentlelady would yield for a second. The Administration agreed to a classified briefing last week, but they limited the number that can participate, however. I apologize for that.

Ms. WATSON. Very good. So I will just throw out the questions—

Mr. ACKERMAN. Would the gentlelady—

Ms. WATSON. I will yield.

Mr. ACKERMAN. I just need a clarification. They agreed to a briefing that was a limited number; does that mean the briefing was held, or they have agreed to a prospective briefing?

Mr. LEACH. The briefing was held, and they agreed to the Chairman and the Ranking Member on the Full Committee and the Subcommittees.

Mr. ACKERMAN. I want to join the gentlelady's request, that we schedule a meeting to get a briefing. Secretary Rocca generously agreed that she would talk to us in a different forum. If they—we can't have—

Mr. LEACH. I think that would be very appropriate.

Ms. WATSON. Reclaiming my time.

Mr. Chairman, from that remark that you just made, it appears to me—and the questions that were asked by Representative

Faleomavaega, apparently in that briefing, they didn't get answers to these specific questions. So I then join with my colleague asking for an opportunity for us to be informed, and then we can stop raising these issues.

But for the life of me, I cannot understand the sale of F-16s to Pakistan when we are talking about trying to get the two countries—India and Pakistan—in their ongoing war over Kashmir to come together. We are saying we don't want to do anything aggressively, but here are our weapons. I don't understand that way of thinking. There is something we don't know, and I hope that we will be better informed in another forum.

But what role are we playing? You know, these are weapons of war. As it was said, nuclear bombs can be carried. Are we trying to get to the kind of clash where they would use these weapons that we are selling them?

And I join Representative Rohrabacher again—in a country so poor, India is growing in its wealth, but not enough. We are allowing American companies to start selling their equipment to these very, very poor countries. And if we are giving them aid in the social areas, does it make sense that we allow them to use great amounts of their revenues to buy these machines of war? I don't get it. If we're giving them aid. So that is something I would like to have explained in another forum. You don't even have to respond, you don't need to nod your head.

But I think you hear me. And then there are reports that A.Q. Khan's network is still operating. We would like to know if that is true, and if you can't speak in this forum then maybe you can inform us. And then we also have learned, or it has been reported, that network has provided Libya and North Korea and Iran with nuclear secrets. We need to know something about that. We need to know how our efforts toward them, Pakistan in particular, fit in with the war against terrorism. Now that is something I think has an explanation in the other forum, too.

So with those questions thrown at you, I can take my response in a different forum or you can respond to the length that you have authority.

Ms. ROCCA. I can respond to—the only issue that we could talk about in another forum is the nuts and bolts of any A.Q. Khan issues. Let me just say, once again, what I said to Mr. Rohrabacher is that we are getting what we need from the Government of Pakistan to uproot that network, and we are able to do it because of the information we are being provided by the Government of Pakistan. And we feel that we are getting all the cooperation we need to move forward and to pull it out root and branch and to make sure that it is not ever reconstituted anywhere in the world, whether it be Pakistan or anywhere else. I can assure you this is a top priority for this Administration.

On the issue of—

Ms. WATSON. Let me ask you then, how does the sale of F-16s fit into—

Ms. ROCCA. I was just about to talk about the F-16s. First of all, I think there is no doubt that all countries are going to meet their defense needs. And with respect to Pakistan, well with respect to India as well, countries have their defense needs and they are

going to supply them. We have a relationship with India which is growing and broadening and reaching a whole new level and a whole new dynamic that has not, that didn't exist before. We want to move forward with them not only with respect to weapons supply but also to co-production.

This is a big step, and it is one that we do reserve for our close allies, and that is how we are thinking with respect to India and where we go from here with India. This is becoming an ever closer relationship.

With respect to Pakistan, this is a separate issue. Pakistan does have its defense needs and we are also—as I said to Congressman Rohrabacher—looking at where Pakistan was in the past, we are looking at it first to consolidate the tremendous strides that have been made over the last 3½–4 years and to move forward in the future. Pakistan has defense needs. We also at the same time are helping Pakistan feel more stable—and a Pakistan that feels stable is a Pakistan that is better for stability in the region overall. Let me also say that this is a long-term commitment to Pakistan. This is a part of the world where you will see ever-increasing U.S. focus and interest.

Let me just quickly say on the——

Ms. WATSON. Let me interrupt you because my time will be up. But I am sitting here very frustrated because I am not a person who thinks that peace comes at the end of a barrel, and we are addressing their defense needs more than we are addressing their social needs. When you talk about defending a land, you have got to see that its people have what they need in order to be able to defend their land. So for fiduciary reasons we are going to sell arms to one country and hope they don't use it against the other country, and the other country is gathering arms, so what are we doing? We are adding to the aggressive behavior rather than addressing the social needs that has top priorities.

So I need far more explanation on the thinking that goes into our foreign policy when it comes to these two nations because I am not getting it. So you don't even need to respond and can wait until that forum.

Ms. ROCCA. May I just on one issue?

Mr. LEACH. Briefly, please.

Ms. ROCCA. Just on the war on—I want to say with respect to the role that Pakistan is playing in the war on terror, I think that the general public, American people need to know that on a daily basis Pakistan is saving American lives.

Mr. LEACH. Chairman Burton.

Mr. BURTON. Thank you very much, Mr. Chairman. I appreciate you convening this meeting. I remember years ago before many of my colleagues were here, we had a contractual agreement with Pakistan to sell them 28 F-16s and the Senate passed what was called the Pressler Amendment, which stopped that sale even though the Pakistani Government had already paid \$750 million for those planes. We held that money for years and years before we finally refunded it.

So, you know, this has been an ongoing issue with Pakistan. I have been in the past very critical of India because of the problems in Kashmir and Punjab up in the corner of India, in-between Paki-

stan and India, and that has been a problem that has been going on since the late 1940s, and a lot of people have died and there have been a lot of problems. But India and Pakistan have now started to talk. I think that is great, and I think that they have got this peace bus that has gone back and forth across the border that is a giant step in the right direction. And hopefully they are going to be able to resolve the Kashmir issue, and the repression that we have seen in the past by Indian-occupying troops up there is going to recede and you are going to see a move toward real peaceful negotiations. And I think all of that is great.

Now regarding the F-16s and the defense needs of each country, it ill behooves the United States to try to tell the rest of the world what to do about their defense needs. We ought to do everything we can, in my opinion, to help those countries sit down and talk about peaceful negotiations and a way out of the potential for war.

But at the same time, how in the world can we start telling every country in the world how to defend their country, how to prepare for war? In addition to that, if Pakistan and India, both of which have nuclear weaponry, want to use a first strike capability they have it right now. They have got short range ability. They have got planes that can carry nuclear weapons. They don't need F-16s to do that. But they are going to buy these planes from somebody. They are either going to buy them from the United States, from France, from Russia. They are going to buy them from somebody. There is nuclear, military equipment able to be purchased anywhere, and they both want these weapon systems. They are talking. They are talking peace. They are trying to work it out, and I see no reason why if they feel that is in their interest as far as defense is concerned, that we don't work with them to provide for that.

You know, prior to World War II, after World War I, a lot of people don't remember this, and I wasn't there myself I am a lot younger than that, but the world decided the best way to make sure that there was never going to be any more conflict was to disarm. And we started seeing ships being sunk, planes being taken apart, tanks being disassembled because they said if there is no weapons there won't be any war.

And what happened was we had—Adolph Hitler was supposed to only have 100,000 people in his military, prepare 100,000 cadre. He violated the Treaty of Versailles. He started buying airplane engines from Rolls Royce in England to build his Luftwaffe and built the most horrible war machine in the world while the rest of the world was disarming. There is a certain amount of defense capability that is necessary for each country and we shouldn't be trying to dictate to them, as they should not be dictating to us, how we prepare for the potential of war. We need to make sure we are strong, they need to make sure they are strong as a deterrent to war and as they move toward peace.

Obviously I would like to see no weapons in the world. I would like to see no nuclear weapons, I would like to see a return of the good Lord so that there is an era of peace for all of us. But that is not going to happen. That is not going to happen, but we need to make sure we work with these countries to make sure there is peace, but at the same time working with them to make sure they meet their defense capability in a fair and equitable way.

So I don't agree with my colleagues although I have very high respect and regard for them, a very high regard for them and their opinions, but I don't agree with that evaluation. Those weapons systems are going to be purchased. They are going to be purchased from France or Russia, MiGs, or some other part of the world, and F-16 is a fine plane. We have superior aircraft to that now. But as long as they are negotiating in a peaceful way right now and they both want these systems, I don't see any reason why we shouldn't work with them to make sure their defense needs are met while at the same time work very hard to get them to sit down at the conference table and work on their differences on Kashmir and Punjab so that this era of peace begins and survives for a long time.

Weakness—let me end by saying this, Mr. Chairman. Weakness always encourages bullies in a schoolyard or the world theater. If a bully thinks he can push somebody around, he is going to do it. I experienced it as a boy, people experience it in the world theater, and the biggest deterrent to bullies is to be prepared and strong enough so they won't push you around. And that is why I think an adequate defense capability is necessary and I think each individual country has to make that decision on their own. And we can mediate and we can talk about it but we have to let them make those decisions.

Mr. LEACH. Thank you. Mr. Ackerman, did you have any personal experiences?

Mr. ACKERMAN. Well, let me say that some of us are not waiting for the reappearance of the Lord, but we are waiting for him to make his premier appearance. But we won't quibble about that. At the right time we will have that all resolved and straightened out.

Mr. BURTON. You know we are both there.

Mr. ACKERMAN. Amen.

Already there are larger issues here and one of them, I think the gentleman is right, what is going on now is nations are preparing for war. That is what you do when you start buying and acquiring and building arms.

I don't think we should be helping nations prepare for war. I think we should be helping them prepare more for peace, and you indicated that in getting the parties together in talking.

But what we are doing is really something else. It is like the old snake oil salesman and we turn to Pakistan and we say, "Hurry, hurry, hurry, tell you what I am going to do. You say you are not satisfied, you say you want more for your cooperation, here are some F-16s." And, you know, you cut that deal and then you turn to India and say, "Hurry, hurry, hurry, you are not getting much for your cooperation and love, we are going to kick this relationship to a higher level." This is called an arms race when you are doing this with military equipment, and I think there is too much of that. And if the room is really awash in gasoline, we shouldn't be trying to help both of the guys locked in that room acquire matches no matter how nicely they are talking to each other for the moment. Something bad is going to happen.

We have one country that is a democracy—long term, proven, institutionally deep rooted, democratic institution. You don't have to get a guess as to which of the two countries we are talking about.

We know that if there was an overnight change in the President of the United States or the Prime Minister of England or the Prime Minister of India, we know where they would stand philosophically, we know whoever the next leader would be, how he would view his people, or her people, and the rest of the world.

There is no such thing with Pakistan. There is nobody who can argue that Pakistan is a democracy, that there are deep-seated democratic institutions. The leaders of Pakistan have come to office in coups and assassinations and strange killings as often as they have through elections. That General Musharraf came to power in one such deal is just a matter of the historic record, and I am not sure how long he has been the President of Pakistan, which was a tactical question that was asked.

In 1999, after overthrowing the Prime Minister, he became the CEO. I have his business card. He gave me his business card. It has his name and says CEO of Pakistan. When he had to make a state visit to India, he had to be a head of state, not a CEO. He gave himself a title of President. I don't have his new business card, I am afraid. So he declared himself President in 2001 and actually forced the Supreme Court to declare an election in which he was elected without opposition in 2002. So what year he became President, I don't know, but certainly with no respect for democratic institutions. Dismissing the legislature, replacing the court, getting only his people, this is not leading by example.

If our concern about disrupting the Musharraf regime because he is cooperating with us on the war on terrorism, I mean this man has a pretty firm grip on the country, it would seem. He is the head of the government. He is the head of the military, he can replace the court and parliament at will. He is going to be there. And if we don't want to question A.Q. Khan because it would threaten the stability of his government, then he has a pretty weak grasp on that government. And if we think that just questioning A.Q. Khan would cause Musharraf to lose his popularity and his ability to rule, I guess the question is, who is going to replace him? Who is going to have the keys and the codes to those F-16s? Who is going to control both the nuclear weapons that they do have and gosh knows what they are developing. I guess there are indications, somebody has told us something, or told someone something that has now told us. If we are not talking to A. Q. Khan, we are playing telephone. If we are asking questions and getting answers that somebody asked of somebody else and relaying it back to us, we don't know what the truth is.

We have not gotten cooperation on the Subcommittees or the Full Committee except for the selected leadership. And I am glad the Chairman has said that he would assist us in getting a briefing for all of the Members so that we know what is going on, because we should know, I think, if we are helping to decide policy—at least what is in the newspapers and whether or not the stuff in the newspapers are true, and we should hear it from our Administration. If the Administration wants us to be helpful, then we have to know what we are doing and what we are talking about.

I don't know, and I agree with Mr. Rohrabacher, what F-16s have to do with the war on terror. I mean, I don't know that al-Qaeda has submarines. This would be something new. I don't know

that they have tanks. This would be something new. I do know, as was pointed out, that there seems to be some traffic between Pakistan and India. I do know that the real threat to India, Pakistan comes in second and China probably comes in first.

When you have that lethal combination of Pakistan and India exchanging gosh knows what, India is stuck in the middle and I am concerned about that because if you have to pick a democracy upon which we can rely and deal in this region, it is simply India out of that trio. I think we put India in a very dangerous position and I think that is not good for American foreign policy long-term.

Short term to befriend Musharraf, fine, but why give him a buy and a pass on democracy? Why aren't we insisting, in the strongest possible terms, that he do the kind of things that we urge other countries to do? Maybe you would like to respond in general.

Ms. ROCCA. Congressman, there is no disagreement—as I said earlier, there is no disagreement on the need for Pakistan to become a fully functioning democracy, and that is where our program is, that is one of our top priorities with Pakistan as part of our commitment.

Mr. ACKERMAN. How are we doing on that? I haven't seen anything in the paper.

Ms. ROCCA. With what specifically?

Mr. ACKERMAN. In getting Pakistan to be democratic.

Ms. ROCCA. There are elections coming up this year, local elections and there will be general elections in 2007.

Mr. ACKERMAN. General elections meaning they have to elect the General?

Ms. ROCCA. What we are doing is we are working to strengthen those very institutions that you talked about as being so weak. Currently this is not a country that has had a strong institution but—

Mr. ACKERMAN. What we are seeing, what the world is seeing and the American public is seeing and the Congress is seeing is that we are strengthening the military. I know, we should—if we are leaders in the world and we are a superpower, instead of starting an arms race, why not start a race to eradicate poverty there? Why don't we have both countries vying for more and more technology? Why don't we have a book race and have them look for the best books and literature and how to do it stuff, and they got more than we do, so let's get them some—you know, those are the things we should be doing. We are not seeing any result of what you are talking about, if indeed we are pushing the democracy buttons.

Ms. ROCCA. We certainly are and first let me say I don't think all these things are mutually exclusive. We are providing a lot of assistance and we are also working in Pakistan in education, but we are also working for the improvement of Pakistan to ensure that its social indicators go up and that the assistance, the social, the welfare,

the—

Mr. ACKERMAN. Social services.

Ms. ROCCA. Social services. Thank you. There is another term of art which is escaping me, thank you, excuse me, increases, and for example, we have seen progress in this. And I thank you for giving me the opportunity to mention some of it.

We have seen a doubling on the part of Pakistan in its education budget. It is up over \$2 billion this year. It is up to almost 3 percent of GDP, which is a big increase. Its increase in—

Mr. ACKERMAN. Are these regular schools or—

Ms. ROCCA. These are regular schools and the United States assistance is helping to buttress the efforts being made by the Government of Pakistan specifically in education and in the social sector as a whole. The numbers have gone up. In the budget, the recent budget that was just released, the numbers on social sector spending have gone up and our stance is helping to buttress that and we have got a lot of efforts underway in all parts of the country. And when we talk about creating a moderate, prosperous, successful Pakistan, we are talking about also getting at the root, some of the root causes of the extremism that exists there, and education is a critical point and it is an area where we have put a lot of our emphasis. We are also doing it in the parts of the country where the Government of Pakistan is trying to bring under control in order to help fight the war on terror, which is the Federally Administered Tribal Areas. We are providing assistance to help build roads, to build schools and essentially to improve the social sector there as well, so there is something to fill in as the government moves in and chases out the bad guys, that there is some hope and development for those people who have not traditionally been under Government of Pakistan authority. They have been under a tribal authority.

So it is a work in progress. It is not something you are going to see overnight, but it is something we are working on steadily and, in fact, that is where the bulk of our effort is going.

Mr. ACKERMAN. I thank the Chairman for his generous allocation of time.

Mr. LEACH. Thank you, sir. Mr. Crowley, do you have any questions?

Mr. CROWLEY. Thank you, Mr. Chairman. I won't take much time. Firstly, Ms. Rocca, I thank you again for your testimony and I appreciate your efforts. I understand you were just in the region and there was a bombing that took place in Pakistan as well, is that correct?

Ms. ROCCA. Yes, sectarian violence.

Mr. CROWLEY. And we are glad you are back safe and sound. I want to thank you on behalf of myself and staff, for your staff, Mr. Grastright and Ms. Rozick, for the briefings we have received, as you mentioned the forum on Bangladesh, my continued interest in Bangladesh and its development.

I am wondering if you could, having just been in the region, give us a sense of what your feeling is. And by the way, I heard that Ambassador Thomas will be leaving that post, is that correct?

Ms. ROCCA. Yes.

Mr. CROWLEY. I am disappointed to hear that. He has done a great job as an Ambassador. From one queen's eye to another, we are sorry to see him go.

What is your sense that Congress could be doing to help Bangladesh and the parties that are there maintain the democracy that they have right now?

Ms. ROCCA. I think the number one thing, Congressman, is attention and continued followup. I think attention such as you provide them is very important. There is a very great need in Bangladesh for the message to get through on the importance of both maintaining the viable democracy that they have, which right now is gridlocked, but also dealing with the governance problems which are essentially undermining the potential for the entire country. I think this is something which is critical and voices from Congress are very important in this regard.

Mr. CROWLEY. Thank you, I would just inform my colleagues on this Subcommittee as well as the overall Committee and Members in general, too, I think when they are in India or Pakistan, or will be there, that they take the opportunities to go there, too.

I am not going to go over the A.Q. Khan any more than my colleagues have gone over already. I think if the American people had a greater understanding of the extent of the network and why we find ourselves in the mess that we are in today as pertains to Iran and North Korea, and really had a deeper understanding—we as Members of the Committee are looking forward to a briefing and debriefing of a classified nature so that I have a better understanding, myself, to the extent that our Government understands what Dr. Kahn has done—I think I am going, they are going to be terribly disappointed not just in this Administration but in prior Administrations as well. This is not just placing the blame here with this Administration's doorstep, but for an individual to be held as a national hero when he has caused so much damage internationally and around the world, I think, is wrong.

Just moving on from that spectrum, I just want to make a comment about the F-16 sale, and again, I would agree with maybe my colleagues. I don't understand what the sale of F-16s to Pakistan will do to the war on terror, how it will be helpful, but I think more important is the message it sends to the developing world. I have talked with other countries like Bangladesh and other countries that may be susceptible to fundamentalism, et cetera, and the need for attention, as you just said before, the United States and Members of Congress to pay to countries like that. I wonder what the message is that we are sending to countries when they feel neglected, when they feel as though we are not giving them enough attention, that we are not helping them in other ways—whether it is through democracy building or human rights, et cetera, that we are willing to make these types of agreements, that if they want attention, if they want to build their military arsenal, that maybe countries would develop more, problems that they would have to then address in conjunction with the United States and develop those types of relationships.

Maybe just comment on that as well.

Ms. ROCCA. Well, let me just bring you back to the region, and once again I want to say that I don't believe that providing assistance, military defense assistance to a country is mutually exclusive from providing assistance in the areas that we are specifically in Pakistan prom—

Mr. CROWLEY. These are countries not on par with the United States in terms of the level of development.

Ms. ROCCA. No, but what we want to do, especially in Pakistan since you raised Pakistan, what we are trying to do in Pakistan is to create an environment to help Pakistan move in a direction so that it remains stable, so that it is moderate, and so that ultimately it is prosperous. And as such, the assistance that we are providing, yes, we are providing military assistance and I mentioned why we have gone ahead and taken the step with the F-16s.

Mr. CROWLEY. What type of F-16s are we talking about? Do we know yet the level of sophistication?

Ms. ROCCA. C and D, C block.

Mr. CROWLEY. Thank you, Mr. Chairman. Thank you, Ms. Rocca.

Mr. LEACH. Thank you, and let me tell my colleagues we have got a vote, possibly two, but I think perhaps just one. We have another panel to follow, and so I think it would be appropriate to dismiss Ms. Rocca at this time with our appreciation and thanks for a thoughtful presentation.

Ms. ROCCA. That you very much. Thank you.

Mr. LEACH. At this point, why don't we empanel the second panel, and then we will adjourn for a vote.

Our second panel consists of Dr. Ashley J. Tellis, who is a Senior Associate for Carnegie Endowment for International Peace; Dr. Cohen, who is Senior Fellow of Foreign Policy Studies at Brookings Institution; and Mr. Dana Robert Dillon, who is a Senior Policy Analyst at The Heritage Foundation at their Asian Studies Center.

At the risk of presumption, we will go and vote and come back and get started. I don't want to be unfair to the panelists. So the Committee will be in recess pending the vote.

[Recess.]

Mr. LEACH. The Committee will reconvene. I apologize, the others will come in quickly. But I thought we should keep going if we can.

Without objection, all statements will be fully placed in the record, and so you can proceed as you see fit. This is a very impressive panel of some of the leading experts in the country on this subject, and I am very appreciative of your willingness to come here.

Dr. Tellis, we will begin with you.

**STATEMENT OF ASHLEY J. TELLIS, PH.D., SENIOR ASSOCIATE,
CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE**

Mr. TELLIS. Thank you, Mr. Chairman. It is a pleasure to be here with you this morning to testify about United States policy toward South Asia. My focus today is primarily on India, but I will say something about Pakistan and I will submit a written statement for the record.

I agree with Secretary Rocca entirely when she said that the United States at the moment is at an extraordinary moment of opportunity with respect to the region, in that we enjoy very good relations with both India and Pakistan simultaneously, something that we haven't seen in the last 20 or 30 years. The two important countries of the region, India and Pakistan, themselves are in the midst of very interesting transformations.

After many decades, India appears to be well on the way to becoming a global power. Pakistan too has made substantial gains,

most importantly pulling itself out of the morass of macroeconomic mismanagement, though the gains it has made thus far with respect to consolidating liberal politics, controlling religious extremism, and eliminating terrorist groups operating from within its territories, are still fragile.

Given these facts I would argue that the United States should pursue a two-track policy toward the region, one focused on India and one focused on Pakistan. With respect to India, we should aim to complete the transformation of United States-Indian relations as rapidly as possible in order to permanently entrench India in the ranks of our friends and allies.

With respect to Pakistan, I think we should aim to assist Islamabad to achieve a soft landing, a soft landing that reverses the disturbing political, economic, social, and ideological trends that characterize Pakistan today, and to help it transform itself into a moderate state.

I believe the Administration's initiatives toward the region broadly comport with these objectives. The decisions made in particular in March of this year, that the Administration would focus very concertedly on helping India become a major power even as it sustains a major assistance program to Pakistan, I believe are decisions in the right direction.

At the risk of stirring a hornet's nest, let me also say that as far as F-16s to Pakistan are concerned, I support the Administration's decision, not as an ideal but as a second best choice, and I will be happy to talk more about that in the Q and A.

Let me say something about India because that was the issue that I was asked to speak on specifically. I think for the first time since the end of the Cold War there is amazing and very wonderful congruence of interests, values and intersocietal ties that bind the United States and India. During the Cold War we shared a commonality of values, but it was not sufficient to bridge the very real differences in interests. Today I think United States-Indian interests, United States-Indian values in democracy and the growing relations between our two societies have come together nicely to make possible for the first time a very strong, transformed relationship with India.

India, too, is changing in dramatic ways that are important to the United States. Today, again for the first time, across the political spectrum in India there is a conviction in the value of the relationship with the United States. The Indian Government has begun a very serious process of rapprochement with Pakistan and an effort to engage Kashmiri discontent within its own territory. It is looking also in a very concerted way to the East, engaging China even as it attempts to contain its own growing power.

Because of its energy requirements, India is looking way beyond the subcontinent, looking at Central Asia, the Persian Gulf, Southeast Asia, and in fact sallying as far as Africa and Latin America. India has also begun a new cycle of military modernization, but unlike the past when the military was tied to very autarkic and exclusionary attitudes, India today is now focused on using military forces as part of combined operations both with regional countries and with the United States. Given these favorable trends both in Indian foreign policy and in India's large geopolitical trajectory, I

think the notion of working with India to develop a new relationship of what I call strategic coordination—where India becomes an ally of the United States in all but name—is an objective that the Administration and we, as a country, ought to aspire to.

Secretary Rocca spoke this morning about the various initiatives that are underway in this regard. I just want to say for the record that I endorse those entirely. But I want to flag one important set of challenges in the months ahead: That is the Indian demand for more liberal access to a variety of high technologies in the area of civilian nuclear energy, civilian space cooperation, advanced industrial equipment and military capabilities, which will tax our ingenuity because we have in effect spent the last 50 years putting in place a variety of regimes that were designed to deny India these capabilities in the past. Trying to find a way to square the circle is going to demand of us a great deal of creativity and political will.

In anticipation of the Prime Minister's visit to Washington in July, let me just flag three things that we could do in the near term as a way of jump-starting the process.

First, India has asked for a long time to be part of international research programs relating to the peaceful development of nuclear energy. There are three specific programs: The Generation IV, ITER, and Radkowsky Thorium Fuel Project. There is no reason why the United States should not permit India to join these programs.

Second, the United States can, as a matter of principle, declare that it will permit India to purchase the requisite nuclear fuel it requires for the Tarapur 1 and 2 nuclear reactors which were built by us for India 30 or 40 years ago.

And third, I would urge the Administration to inform the Government of India that we will not put impediments in the Indian effort to complete the Indian-Pakistani-Iranian gas pipeline so long as India is willing to commit that it will suspend the pipeline if, at some point, the international community were to look for other ways of penalizing Iran for pursuing its nuclear weapons program.

Let me just say in conclusion that we stand at a moment of opportunity, but the hard tasks with respect to reforming the international nonproliferation order to accommodate Indian interests still lie before us. This is a task that the Administration cannot undertake on its own. It will require cooperation from the leadership of the Legislative Branch on both sides of the aisle, and I hope that in the months ahead we can put our minds together to create the requisite incentives to New Delhi to align its growing power with American national purposes.

[The prepared statement of Mr. Tellis follows:]

PREPARED STATEMENT OF ASHLEY J. TELLIS, PH.D., SENIOR ASSOCIATE, CARNEGIE
ENDOWMENT FOR INTERNATIONAL PEACE

Good morning, Mr. Chairman, and Members of the Committee. Thank you for this opportunity to testify about U.S. policy toward South Asia. As requested by the Chairman in his letter of invitation, I will focus my remarks primarily on U.S. relations with India and Pakistan. I respectfully request that my statement be entered into the record.

The United States today stands at an extraordinary moment of opportunity in regards to South Asia. For the first time in many decades, we enjoy good relations with India and Pakistan simultaneously. These two countries are themselves in the midst of remarkable transformations. After many decades of faltering, India now ap-

appears to be well along the way to becoming a major global power, having added to its original achievement of liberal democracy the new magic ingredient of liberal economics. Pakistan too appears to have pulled itself out—at least for the moment—from the morass of macro-economic mismanagement, though the gains it has made with respect to consolidating liberal politics, controlling religious extremism, and eliminating terrorist groups operating from within its territories, are still fragile. When viewed comparatively, therefore, the principal trends in the two most important states in South Asia are in the right direction, though there are clear differences in the intensity and the durability of their trajectories: the general consensus in the scholarly and intelligence communities is that India is likely at some point or another in the coming decades to obtain the great-power capabilities that eluded it throughout the Cold War; in contrast, there is still considerable uncertainty about whether Pakistan has decisively mastered the multiple political, economic, and ideological challenges that confront it as a state and there is a substantial body of opinion which holds that the Musharraf regime's recent successes are by no means either permanent or assured.

Given these judgments, I believe the United States should pursue the following grand strategic objectives towards India and Pakistan.

- Vis-a-vis India, the United States should aim to rapidly complete the transformation in U.S.-Indian relations that has been underway since the final years of the Clinton Administration, and which received dramatic substantive impetus in the first term of President George W. Bush, in order to permanently entrench India in the ranks of America's friends and allies. With the changes that have occurred both globally and in India since the end of the Cold War, a close bilateral relationship that is based on the strong congruence of interests, values, and inter-societal ties, is in fact possible for the first time in the history of the two countries.
- Vis-a-vis Pakistan, the United States should aim to assist Islamabad to achieve a "soft landing" that reverses the still disturbing political, economic, social, and ideological trends and enable Pakistan to transform itself into a successful and moderate state. Because of the immensity of the problems facing that country, and because these difficulties are often viciously reinforcing, the Administration ought not to expect that Pakistan will be able to overcome all obstacles entirely by the end of President Bush's current term. Consequently, U.S. objectives would be satisfied if Pakistan makes sufficient progress so that the trend lines with respect to good governance, stable macro-economic management, investments in human capital, foreign and strategic policy behaviors, and ideological orientation, are both positive and durable.

It is my judgment that the Administration's initiatives towards both countries since the President's first term in office have been broadly consistent with these grand strategic objectives. The announcements made earlier in March this year, asserting the Administration's desire "to help India become a major world power in the twenty-first century" even as it conveyed its intention to proceed with the sale of F-16 fighter aircraft to Pakistan, represent in my opinion a further—and desirable—evolution of U.S. policy towards South Asia. Let me clarify my position on the latter issue. I have previously, and in writing, argued that Washington ought to focus the thrust of its assistance towards assisting Pakistani society rather than simply strengthening the Pakistani state, especially one that at its highest levels of executive power is not yet representative, freely elected, or reflects popular choice. The rationale for this position is straightforward: the most dangerous problems in Pakistan today, and those that will directly affect the security of the United States for a long time to come, originate and are manifested in corrosive trends in Pakistani society, such as the failures in public and religious education, the prevalence of extremist Islamist ideologies, and the increasing poverty and failing social indicators, that make for a radicalized politics which threatens both Pakistan and the outside world.

The Administration has attempted to respond to this challenge by allotting fully half of its substantial aid package to economic and social assistance, though we must be careful to ensure that this assistance is appropriately targeted. Assisting Pakistani society, however, requires providing some measure of support to the Pakistani state: first, as a form of gratitude for the assistance Islamabad has extended the United States in the global war of terrorism, sometimes at the cost of great resistance especially in the frontier and tribal areas of Pakistan; and, second, as an inducement to General Pervez Musharraf to continue to prosecute more effectively the military operations against terrorism, as a form of tangible support for his convictions about "enlightened moderation," and, as a reward for his efforts at normal-

izing relations with both Afghanistan and India. It is in this context that the Administration's decision to offer Pakistan F-16s, despite not being directly relevant to combat operations against terrorism, is defensible not as an ideal but, in the phrase favored by economists, as a "second-best equilibrium" in U.S.-Pakistan relations. I believe the Administration itself appreciates this, which is the only reason why the President embarked upon this course of action many years after the request was first—and repeatedly—made by Islamabad.

Although, in a perfect world, the United States would arm Pakistan only to the extent required by the necessities of anti-terrorism operations, in the real universe of international politics, Islamabad's cooperation in anti-terrorism operations would simply be less than enthusiastic if the United States were seen to be unresponsive to Pakistan's conception of its defense requirements. Given this consideration, the sale of F-16s to Pakistan is appropriate because it emphasizes that Islamabad's cooperation with the United States in multiple issue areas pays off and, further, it conveys that Washington would be willing to address Islamabad's security needs so long as Pakistan continues to behave responsibly. Many of the dilemmas arising from this intended sale would be attenuated if General Musharraf were to:

- Demonstrate the same willingness to apprehend the Taliban leadership and cadres (who are currently engaged in hostile operations against American forces and the Karzai regime) that he has displayed in the combined U.S.-Pakistan interdiction of Al Qaeda remnants.
- Demonstrate a serious commitment to the peace process with India by actually shutting down the infrastructure of terrorism in Pakistan and by terminating infiltration of terrorist groups supported and sustained by Pakistan's intelligence services across the Line of Control in Kashmir (an activity that has still not ceased, and may have even increased recently, despite Musharraf's repeated public and private commitments to Washington and New Delhi).
- Demonstrate full transparency with the United States about the activities of A. Q. Khan's proliferation network as well as a willingness to prosecute Khan's cohort in Pakistan who were also complicit in his illicit trades.
- Demonstrate an undertaking to restore democracy in Pakistan—consistent with the President's vision of a democratic renaissance worldwide—by committing to retire from his position as Chief of Army Staff by the time of the 2007 election, running (if he wishes to) for presidential office as a civilian, and permitting the exercise of free and fair elections that involve participation by all (especially established) parties in Pakistan.

As an adjunct to the Administration's proposed military assistance package, and in order to minimize the regional complications that could arise as a result, I think it is important that senior Administration officials, such as Secretary Rice, engage General Musharraf in a frank private conversation on these issues.

While the orientation of U.S.-Pakistan relations for the foreseeable future is thus likely to be focused on avoiding the *summum malum*, the opportunities offered by the transforming U.S.-Indian relationship provide hope for reaching the *summum bonum* in a way that eluded both sides during the Cold War. During that period, U.S.-India relations were based only on values deriving from a common democratic heritage; as the historical record shows, values sufficed to prevent both countries from becoming real antagonists, but they could not prevent the political estrangement that arose from divergence in critical interests. With the passing of the bipolar international order and with India's own shift towards market economics at home, the traditional commonality of values is now complemented by an increasingly robust set of inter-societal ties based on growing U.S.-Indian economic and trade linkages, the new presence of Americans of Indian origin in U.S. political life, and the vibrant exchange of ideas and culture through movies, literature, food, and travel.

These links are only reinforced by the new and dramatic convergence of national interests between the United States and India in a manner never witnessed during the last fifty-odd years. Today and for the foreseeable future, both Washington and New Delhi will be bound by a common interest in:

- Preventing Asia from being dominated by any single power that has the capacity to crowd out others and which may use aggressive assertion of national self-interests to undermine cooperative behaviors among other states;
- Eliminating the threats posed by state sponsors of terrorism who may seek to use that instrumentality to attain various political objectives, and more generally by terrorism and religious extremism to free societies;

- Arresting the further spread of weapons of mass destruction to other countries and sub-national entities including by sub-state actors operating independently or in collusion with states;
- Promoting the spread of democracy not only as an end in itself but also, and perhaps more importantly, as a strategic means of preventing illiberal polities from exporting their internal struggles over power abroad; and
- Advancing the diffusion of economic development with the intent of spreading peace through prosperity through the liberalized trade in goods, services, and technology worldwide.

Given these realities, the President's decision to accelerate the transformation in U.S.-Indian relations (through multiple avenues now being contemplated by the Administration) represents an investment not only in bettering relations with a new rising power but also, and more fundamentally, in the long-term security and relative power position of the United States.

The record thus far amply substantiates the claim that India will be one of Asia's two major ascending powers in the first half of this century. The Indian economy has been growing consistently at about 5.5% since 1980 and at about 6.5% since 1991. This growth has been driven entirely by internal resource mobilization, productivity gains, and domestic market liberalization—unlike China which has relied more than India has on foreign direct investment and its connectivity with the global economy for superior growth rates. With the new Indian decision to seek a larger quantum of foreign direct investment as a supplement to its continuing internal economic reforms, it is expected that the Indian economy could grow at a rate of 7–8% for the next two decades. If these expectations are borne out, there is little doubt that the India will overtake current giants such as Japan, Germany, the United Kingdom, and France by exchange rate measures at some point during the next twenty-five to fifty years.

As if anticipating this prospect, India's foreign policy profile has already changed dramatically. In contrast to the inward looking policies New Delhi followed since the early 1970s, India now seeks to engage the world in different ways and for different reasons:

- New Delhi is committed to the ongoing transformation in US-Indian relations because of its recognition that America's primacy in the international system provides specific political and economic benefits to India.
- A new "Look East" Indian policy has emerged for political and economic justifications connected with both engaging and containing China's growing power and influence in East and Southeast Asia.
- India's huge energy requirements are driving an expanded presence in Central Asia, the Persian Gulf, and Southeast Asia, even going as far as Africa and Latin America.
- India has embarked on major military modernization programs, but unlike the past when autarkic and exclusionary attitudes defined its conception of military power, New Delhi is now comfortable with using its military forces for combined operations with both regional countries and especially with the United States.

All told, then, India's emergence as a great power that dominates the South Asian and Indian Ocean regions, is now only a matter of time. A strong U.S.-Indian relationship, characterized by robust bilateral cooperation in regards to preserving regional and global order, is emphatically in the interest of both India and the United States. Given India's large size, proud history, and great ambitions, however, it would be unrealistic to expect that New Delhi would become a formal alliance partner of Washington, even if the current improvement in U.S.-Indian relations were successfully consummated. Rather, India will likely march to the beat of its own drummer, at least most of the time. I believe that a strong and independent India nevertheless represents a strategic asset to the United States, even when it remains only a partner and not a formal ally. I think that the administration has reached a similar conclusion—correctly in my judgment—in its March 25, 2005 statement about assisting the rise of Indian power. This appraisal is rooted in the assessment that there are no intrinsic conflicts of interest between India and the United States and, consequently, transformed ties that enhance the prospect for consistent—even if only tacit—"strategic coordination" between Washington and New Delhi serve American interests just as well as any recognized alliance.

The challenge facing the Administration in this context is to craft a set of policies that satisfy India's desire for more liberal access to a variety of high-technologies in the areas of civilian nuclear energy, civilian space cooperation, advanced indus-

trial equipment, and military capability—technologies that hold the promise of helping New Delhi attain the even higher levels of economic growth necessary for rapid development and realizing its dream of securing great power capabilities—without undermining the various international nonproliferation regimes that Washington has tirelessly put in place during the past several decades. Consistent with the Administration's own intention to assist the growth of Indian power, the executive branch has pursued three new initiatives since the beginning of this year, in addition to various other ongoing activities in bilateral diplomatic collaboration, military-to-military relations, counterterrorism cooperation, joint science and technology projects, and public diplomacy. First, it has compressed the implementation schedule relating to the Next Steps in Strategic Partnership agreement reached in January 2004. Second, it has permitted Lockheed Martin and Boeing to offer F-16s and F-18s, respectively, as candidates for the Indian Air Force's multi-role fighter program, while also stating on the record that it will support Indian requests for other transformative systems in areas such as command and control, early warning, and missile defense. Third, it expressed willingness to discuss a range of difficult and highly contentious issues through three separate, high-level, dialogues that are currently underway with New Delhi.

The strategic dialogue focuses on global security issues, including India's quest for permanent UN Security Council membership, future defense cooperation, high-technology trade, and space-related collaboration as well as regional issues pertaining to security in and around South Asia. The energy dialogue addresses energy security issues broadly understood, including the proposed Indo-Pakistani-Iranian gas pipeline, nuclear safety cooperation, and, most important of all, ways of integrating India into the global nuclear regime so as to address New Delhi's desire for renewed access to safeguarded nuclear fuel and advanced nuclear reactors. The economic dialogue, which involves both high-level political and private sector participation, is aimed at increasing U.S.-Indian trade and creating new constituencies in the United States having a stake in India's growing power and prosperity.

I welcome and endorse these initiatives entirely but caution that—as things stand currently—these endeavors represent innovations at the level of process rather than at the level of outcomes. Their success will ultimately be judged not by the number of meetings held or the bonhomie generated, but whether they produce concrete policy changes that engender fresh material gains for both sides, especially with respect to integrating India into the global nonproliferation order without compromising its national security. Since the agenda associated with this issue in particular and the three dialogues in general is long and involved, and will at any rate take some time to consummate to the satisfaction of both sides, I would urge the Administration to pursue at least the following initiatives to be announced during the Indian Prime Minister's visit to Washington on July 18, 2005, as a means of sustaining the momentum of the on-going transformation in U.S.-Indian relations:

- Invite India to participate in the Generation IV, ITER, and Radkowsky Thorium Fuel (RTF) international research programs pertaining to the development of safe, proliferation-resistant, advanced nuclear reactor technologies.
- Declare that, pending a permanent solution to the problem, the United States would permit India to purchase the requisite quantities of safeguarded low-enriched uranium required for its next fuelling of the Tarapur 1 and 2 nuclear reactors.
- Inform the Government of India that the United States would not impede the construction of the Indian-Pakistani-Iranian gas pipeline so long as New Delhi cooperates by all means necessary—including by terminating or suspending work on the pipeline—if the international community were to consider penalizing Iran at some future point in time for persisting with its uranium enrichment program.

As a complement to these initiatives, the Administration should focus on securing Indian cooperation in the following ways in the near-term:

- Gaining India's commitment to participate in the Proliferation Security Initiative (as part of the Core Group if need be, if this distinction is to be maintained).
- Procuring political and financial support for President Bush's idea of a "democracy fund" to be lodged within the United Nations as well as for other U.S. democracy initiatives.
- Obtaining an Indian pledge to support U.S. stabilization efforts in Iraq through non-military contributions including but not restricted to police training, development of civil services and administrative institutions, public works programs, and training NGOs.

The kinds of initiatives that can be pursued by both the United States and India during the current window of opportunity are limited mainly by our collective imagination. The ideas I have enumerated above are only meant to be illustrative, but they nonetheless represent issues that are of high priority to either side, can be implemented relatively quickly, and presage more consequential policy changes that could materialize as U.S.-Indian relations continue to deepen further. Despite all the controversies swirling around other foreign policies of the Bush Administration, it is worth remembering that as far as India is concerned the President has got it absolutely right—indeed got it absolutely right even before he took office in January 2001:

Often overlooked in our strategic calculations is that great land that rests at the south of Eurasia. This coming century will see democratic India's arrival as a force in the world. A vast population, before long the world's most populous nation. A changing economy, in which 3 of its 5 wealthiest citizens are software entrepreneurs. India is now debating its future and its strategic path, and the United States must pay it more attention. We should establish more trade and investment with India as it opens to the world. And we should work with the Indian government, ensuring it is a force for stability and security in Asia.¹

There is no better demonstration of this judgment than the transformation of U.S.-Indian ties insofar as they relate to bilateral cooperation regarding other countries in South Asia. Whereas barely a decade ago, India sought consistently to isolate the South Asian region from all foreign influences, today Washington and New Delhi are collaborators with respect to managing the various kinds of state failure now found along India's periphery. Although the bilateral partnership has been effective in varying degrees on this question, the fact that both sides see their interests within South Asia as complementary rather than antagonistic represents an important breakthrough. The challenge for both countries now is to extend the most successful examples of bilateral cooperation here—on Nepal, Afghanistan, and Sri Lanka—to other regional and functional areas lying further afield.

If the United States is to get to the point, however, where strong U.S.-Indian cooperation becomes the norm rather than the exception, the leadership in both the executive and legislative branches of government will have to do their part by exercising focused attention on effectuating the policy changes prospectively required to provide India with more liberal access to civilian nuclear, space, dual-use, and other controlled technologies as an incentive for New Delhi to continue to align its own growing power with American national purposes.

Thank you, Mr. Chairman, for your attention and consideration.

Mr. LEACH. Thank you Dr. Tellis. Dr. Cohen.

**STATEMENT OF STEPHEN P. COHEN, PH.D., SENIOR FELLOW,
FOREIGN POLICY STUDIES, THE BROOKINGS INSTITUTION**

Mr. COHEN. Mr. Chairman, I am grateful for this opportunity to share my expertise with the Subcommittee. South Asia is critically important to the United States and will continue to be so in the future. I submitted my longer statement for the record. I will read extracts from it and make a few additional remarks.

I am in substantial agreement with the Administration's newly proclaimed policy on South Asia. I believe that if fully refined and properly implemented it will advance American interests. The policy as announced does two important things.

First, it attempts a coherent South Asia policy or at least a policy that tries to comprehensively address Afghanistan, Pakistan and India. It does not pretend that India is part of the Pacific nor that Pakistan is a Middle East country. While our India policy has been formally de-hyphenated from Pakistan policy, I am concerned that this Administration may not pay enough attention to the prospect of another India-Pakistan war. It seems to hope that the present India-Pakistan dialogue will flourish, leading to some kind of

¹ Governor George W. Bush, "A Distinctly American Internationalism," Ronald Reagan Presidential Library, Simi Valley, California, November 19, 1999.

agreement on Kashmir and other outstanding disputes. I am not that optimistic and, in any case, hope is not a policy.

Second, the Administration has, I believe, properly identified the real Pakistani problem. The problem is not only gaining compliance with our efforts to round up Islam extremists, although there may be questions about where they have gone the last mile. The same is true of Pakistan's cooperation in revealing its clandestine support for the Iranian, Libyan, North Korean and other missile and nuclear programs.

Mr. Chairman, the main problem is Pakistan itself, and, its faltering political system, its dysfunctional social order, its dangerous sectarianism and its grossly distorted political system. Pakistan has, over the years, failed in each of these and other dimensions, yet it seems to be surviving. Pakistan may be one of the few states which can be said to have achieved sustainable failure, but I am not very comfortable with the vision of a nuclear-armed Pakistan driving at 80 miles per hour along the edge of a disaster.

My guess is that this is how the Administration now sees Pakistan. Certainly it seems to have learned some of the lessons from the *9/11 Commission Report*. Whatever the report's gaps may be, it correctly diagnosed Pakistan's long-term prospects and the risks to America should that country go down the path of chaos and extremism. Pakistan is part of the problem, but it is also part of the solution. If that were to happen, relations with India would certainly deteriorate. Pakistan might again meddle in Afghanistan and who knows whether it will become the world's number one exporter of nuclear weapons technology or worse.

Now to the specifics of recent policy. It makes sense to restore the sale of advanced aircraft to Pakistan and even more sense to continue to expand our military training programs as long as this is not linked only to its cooperation in rounding up Taliban and al-Qaeda leaders. Our sales and our aid must be directly linked to the Pakistan Government fulfilling its commitment to goals it has already declared to be important. These include ending sectarian violence in Pakistan, which was General Musharraf's top declared goal since the 1999 coup; genuine reform of the educational system, which is not really happening; rebuilding political parties and democratic organization, which I don't see happening very quickly at all; continuing economic reform, which has happened at one level but has not trickled down; and moving toward rapprochement with India—here Musharraf can be credited with significant accomplishments.

Of course, economic and technical aid is presumed to influence Pakistan's policies in many of these areas, but the most powerful political party in Pakistan is the military, specifically the army, and military sales and training is an important way of demonstrating that we are interested in Pakistan's survival and security. We should use this rare opportunity to leverage the Pakistani elite, especially the military, to take steps that will give meaning to what President Musharraf calls enlightened moderation. Right now this term is a slogan, an advertising gimmick. What is its content?

Mr. Chairman, as I argued in my recent book, *The Idea of Pakistan*, Pakistan's performance raises doubts in many areas. There

must be explicit linkage between the quantity and quality of our military sales to Pakistan to Pakistan's performance along a number of critical dimensions. I do not think Congress can get into the fine details, but it should ensure that a limited military relationship with Pakistan will not only be durable—that is, it will survive the end of the war on terrorism—but will be tightly linked to good performance along a number of parameters.

Since such reforms have not only been frequently promulgated by the Pakistani leadership, and are in Pakistan's own interest, we should hold Pakistan to a high standard. Pakistan must not be compared with Syria or Saudi Arabia but with other Asian democracies.

I could go down the list but in the realm of domestic politics, Pakistan needs to begin the process of reform right now so that, as Secretary Rice has suggested, there will be free elections in 2007 in Pakistan. Doing this will require the return of the exiled leaders of both of Pakistan's leading parties, the end to the army's comprehensive interference in domestic politics, and President Musharraf shedding his uniform, as he has pledged to do, well before the election.

Mr. Chairman, let me also address two arguments against the proposed sale to Pakistan. One is that we are fueling an arms race in South Asia. The other is that Pakistanis will take our support and continue to confront India, meddle in Afghanistan, and not carry out the kinds of reform that they have promised. The arms race argument is important, but less so after the region went nuclear.

India and Pakistan had four major crises in the last 16 years, but the last 2, after they became nuclear weapon states, indicate that they are learning from their own experience. Both sides understand that a conventional war could rapidly deteriorate to a nuclear exchange. My judgment is that the F-16s, for example, do not change the situation. Neither India nor Pakistan could be assured that they could wipe out the nuclear forces on the other side. Ideally, both India and Pakistan will slow down their military spending—not engage in an arms race and have an “arms crawl,” and reach political agreement disregard differences.

However, we do not live in an ideal world. The best we can do is set a good example ourselves and do nothing that would change the fundamental strategic calculations in South Asia. Will arms sales encourage Islamabad to resume confrontation with India by supporting terrorists from across the border and fail to carry out its own needed reforms? I cannot predict the future, but if this happens then we can take two steps. One is that the military relationship be cut back or even terminated to the degree that Pakistan does not do what it has promised, and what is in Pakistan's own interest.

When serving in the Reagan Administration, I argued that we should make this linkage, but I was obviously overruled. I also argued then, and believe that is even more the case now, that we have another lever to use against Islamabad should that country regress: Instill closer relationship with India. Unlike 1987, when we used Pakistan to defeat the Soviets in Afghanistan, it is the long-term danger of extremism, whether Islamic or otherwise, with-

in Pakistan itself that is the problem. It is a problem not only for the United States, but for India, China, Iran and certainly Afghanistan.

Let me conclude by making these following points. First, the United States should also work very closely with like-minded states regarding Pakistan, especially the major European allies and Japan. Second, I am in strong agreement with the new American policy of seeking a long-term strategic relationship with India, possibly providing New Delhi with advanced military and dual-use technology.

Mr. Chairman, I also believe that many Indians agree with the goal of a moderate Pakistan, as recently stated by such BJP leaders as L.K. Advani and Jaswant Singh.

To conclude, all policies are in the end based upon a calculation of risk and gain. My judgment is that we run a small risk by rebuilding a military and security relationship with Islamabad now and that doing so will help us avert a much greater problem in the future.

Thank you.

[The prepared statement of Mr. Cohen follows:]

PREPARED STATEMENT OF STEPHEN P. COHEN, PH.D., SENIOR FELLOW, FOREIGN
POLICY STUDIES, THE BROOKINGS INSTITUTION

I am grateful for this opportunity to share my expertise with the Subcommittee. South Asia is critically important to the United States today, and will continue to be so in the future.

America will use force to defend a vital interest, and for several years American forces have fought a war in Afghanistan, worked with the Pakistan military to round up the dregs of al Qaeda and Taliban, and are now training with India's armed forces.

Even if we win the so-called war on terrorism, there will still be a requirement for an American military presence in the region, possibly a base in Afghanistan. Further, our other regional interests will increase, not decrease. These include:

- A potential new strategic relationship with an India that is emerging as Asia's third great state, and climbing;
- The spread of nuclear technology and fissile material from India and Pakistan to other states and regions,
- The prospect of a serious war between these two nuclear-armed states, something that almost happened only three years ago;
- Pakistan's very future as a moderate state, the problem I will focus on today.

I am in substantial agreement with the Administration's new policy on South Asia. I believe that, if further refined and properly implemented, it will advance these American interests.

The policy, as announced does two important things:

First it attempts a coherent *South Asia* policy, or at least a policy that tries to comprehensively address Afghanistan, Pakistan and India. It does not pretend that India is part of the Pacific, nor that Pakistan is a "Middle East" country. Our India policy has been formally de-hyphenated from our Pakistan policy.

(However, I am concerned that the administration does not pay enough attention to the prospect of another India-Pakistan war; it seems to hope that the present India-Pakistan dialogue will flourish, leading to some kind of agreement on Kashmir and other outstanding disputes; I am not that optimistic, and in any case, hope is not a policy.)

Second, the administration has, I believe, properly identified the real Pakistan problem. This problem is: *not* gaining compliance with our effort to round up Islamic extremists. Pakistan has been helpful on this count, although there may be questions about whether they are going the last mile; the same is true of Pakistan's cooperation in revealing its clandestine support for the Iranian, Libyan, North Korean and other missile and nuclear programs.

The main problem is Pakistan itself, and its faltering political system, its dysfunctional social order, its dangerous sectarianism, and its grossly distorted political system. Pakistan has over the years failed in each of these (and other dimensions), yet it seems to be surviving. Pakistan may be one of the few states which can be said to have achieved sustainable failure, but I am not feel comfortable with the vision of a nuclear-armed Pakistan driving at eighty miles per hour along the edge of failure.

My guess is that this is how the administration sees Pakistan. Certainly, it seems to have learned some of the lessons from the 9/11 Commission Report. Whatever the reports gaps may be, it correctly diagnosed Pakistan's long-term prospects and the risks to America should that country go down the path of chaos and extremism. If that were to happen, relations with India would certainly deteriorate, Pakistan might again meddle deeply and dangerously in Afghanistan, and who knows whether or not it would again become the world's #1 exporter of nuclear weapons technology, or worse?

Now, to the specifics of the recent policy:

It makes sense to restore the sale of advanced aircraft to Pakistan, and even more sense to continue to expand our military training programs, as long as this is not linked *only* to its cooperation in rounding up Taliban and al Qaeda leaders. Our sales and our aid must be directly linked to the Pakistan government fulfilling its commitments to goals it has *already* declared to be important:

- Ending sectarian violence in Pakistan (Musharraf's top declared goal since the 1999 coup)
- Genuine reform of the educational system,
- Rebuilding political parties and democratic organizations,
- Continuing economic reform, and
- Moving towards a rapprochement with India.

Of course, economic and technical aid is presumed to influence Pakistan's policies in many of these areas, but the most powerful political party in Pakistan is now the military (specifically, the army), and military sales and training is an important way of demonstrating that we are interested in Pakistan's survival and security.

We should use this rare opportunity to leverage the Pakistani elite, especially the military, into concrete steps that will give meaning to what General Musharraf calls "enlightened moderation." Right now, this term is a slogan, an advertising gimmick, what is its content? Overall, as I have argued in my recent book, *The Idea of Pakistan*, Pakistan's performance in many areas raises doubt about the survivability of the present system.

There must be explicit linkage between the quantity and quality of our military sales to Pakistan to Pakistan's performance along a number of critical dimensions. I do not think that Congress can get into the fine details, but it should be ensure that a limited military relationship with Pakistan will not only be durable—that is that it will survive the end of the war on terrorism, but that it will be tightly linked to good Pakistani performance along a number of dimensions.

Since such reforms have not only been frequently and publicly promulgated by the Pakistani leadership, and are in Pakistan's own interests, I think that we should hold Pakistan to a high standard of performance. Pakistan must not be compared with Syria or Saudi Arabia, but with other Asian democracies. I could go down the list, but in the realm of domestic politics Pakistan needs to begin the process of reform *right now* so that, as Secretary Rice has indicated, there will be free elections in 2007. Doing this will require the return of the exiled leaders of both of Pakistan's leading parties, the end to the army's comprehensive interference in domestic politics, and President Musharraf shedding his uniform, as he has pledged to do, well before the election.

Let me also address two arguments against the proposed sale to Pakistan. One is that we are fueling an arms race in South Asia, the other is that the Pakistanis will take our support and continue to confront India, meddle in Afghanistan, and not carry out the kinds of reforms that they have promised.

The arms race argument is important, but less so after the region went nuclear. India and Pakistan have had four major crises in the last sixteen years, but the last two, after they became nuclear weapons states, indicate that they are learning from their own experience, even if they did not learn from ours and the Soviets.

Both sides understand that a conventional war could rapidly deteriorate into a nuclear exchange, my judgment is that the F-16s, for example, do not change this situation; neither India nor Pakistan can be assured that they can wipe out the nuclear forces on the other side. Ideally, both India and Pakistan will slow down their military spending and reach a political agreement concerning their differences.

However, we do not live in an ideal world. The best we can do is set a good example ourselves, and do nothing that would change fundamental strategic calculations in South Asia. I do not believe that reviving the arms relationship with Pakistan will have that great an impact.

Will arms sales encourage Islamabad to resume confrontation with India by supporting terrorists from across the border, and fail to carry out needed reforms? I cannot predict the future, but if this happens then we should take two steps. One is that the military relationship should be cut back (or even terminated) to the degree that Pakistan does not do what it has promised (and which is in its own interest). When serving in the Reagan administration, I argued that we should make this linkage, but was obviously overruled. I also argued then, and believe that it is even more the case now, that we have another lever to use against Islamabad should that country regress: a still closer relationship with India. Unlike 1987, when we used Pakistan to defeat the Soviets in Afghanistan, it is the long term danger of extremism (whether Islamic or otherwise) within Pakistan itself that is the problem. It is a problem not only for the United States, but for India and China, and even Iran and Afghanistan.

Let me conclude by making these final points.

- The United States should work very closely with like-minded states regarding Pakistan, especially the major European powers and Japan.
- I am in strong agreement with another dimension of the newly formulated American policy-seeking a long-term strategic relationship with India, possibly providing New Delhi with advanced and dual-use technology. This, of course, implies further changes in both American and Indian policy, but I think that it is in our respective interests to move down that particular road, and that our respective policies towards Pakistan do not and should not get in the way.

All policies are in the end based upon a calculation of risk and gain. My judgment is that we run a small risk by rebuilding a military and security relationship with Pakistan now, and that doing so will help us avert a much greater problem in the future.

Mr. LEACH. Thank you Dr. Cohen. Mr. Dillon.

STATEMENT OF MR. DANA ROBERT DILLON, SENIOR POLICY ANALYST, THE HERITAGE FOUNDATION, ASIAN STUDIES CENTER

Mr. DILLON. Thank you, Mr. Chairman and Members of the Subcommittee, for inviting me to speak today on American interests in South Asia. I must begin the testimony with the disclaimer that the following statements are my personal views and do not necessarily reflect the views of The Heritage Foundation.

Among the most appealing changes brought by the end of the Cold War is the new and flourishing relationship with the billion and a half people in South Asia. The United States shares interests with the countries of the region, and the people of South Asia share our devotion to democracy, even if the governments of some of the countries fall short of that commitment. While undoubtedly there are feudal remnants and pockets of Islamic fundamentalism, most of the people that live in that region value human rights, oppose terrorism, and want to protect their increasingly endangered environment.

A commitment to free markets is relatively new, but economic reform has strong intellectual support and there is a growing middle class committed to opening the economies of the region. The people of South Asia will accomplish these goals with or without American participation. It is in our best interests to act as a friend and partner to the countries of the region and participate with them in the transition.

And let me shift to specifics. First is India. Although it is easy to see the potential of an American-Indian coalition and its value to both sides, we do need to take account of the obstacles that still exist. India's economy is growing but has a long way to go. Then there is India's anti-American voting record in the United Nations. At the same time, both countries share concerns about terrorism and China's emergence as a world power while sharing the moral certainty that democracy is the best form of government for our countries and the world. The United States needs to build its relationship with India with an eye toward regional and world security, but the United States-Indian relationship is valuable for of its own sake and should not be thought of as a new Cold War alliance.

A deliberate and open strategy of containing China would be counterproductive. For India, outright confrontation with China would be expensive and pointless as long as China can be convinced to operate on key Indian interests such as borders disputes, nuclear proliferation and Islamic terrorism.

The United States. Our policy should focus on building India's economic competitiveness, its military might, and its international standing in forums such as United Nations to counter China hegemony. Opening India's economy should be the State Department's first priority. Plans and ideas of mutual cooperation in defense and space and environmental protection all depend on India having the resources to carry out its side of the bargain.

Many economists predict high growth levels in the decade ahead that will propel India to great power status. Goldman Sachs released a report in 2003 which predicts that by 2050 India will be the third largest economy behind China and the United States. The United States economy is already closely intertwined with the Indian service sector, and its growing middle class provides a huge market for American businesses and investors. Without continued progress in economic globalization, India's potential will remain unrealized.

The United States must continue to offer its expertise to India by placing India as the highest priority for the United States Trade Representative, all the while remembering that India is a democracy and that changes take time as the Indian Government must balance the differing political interests of its vast population.

India's role in the United Nations is very problematic for the United States. In 2004, India voted with the United States in the United Nations only 20 percent of the time. Another problem is that it is not necessarily an American interest to further expand the size of the U.N. Security Council. It is already difficult for the United States to get key resolutions adopted or enforced with a 15-member Security Council. However, if India demonstrated more support for the United States at the U.N., a Security Council seat would be in American interests.

United States-Indian defense cooperation is the most dramatically changed aspect of our relationship. The United States has restored all conventional military-to-military cooperation and began cooperation with India on civilian use of nuclear power and civilian space programs. In a March 21, 2005 Op-Ed in the *Wall Street Journal*, Ambassador Robert Blackwell asked the question: Why should the United States want to check India's missile capability

in ways that would lead to China's permanent nuclear dominance over democratic India? Indeed there is every reason to help India become a friendly and strategic partner and for India to possess a deterrent that would inhibit Chinese adventurism in the region. India should be included in the missile defense program and should participate in future weapons development programs as it can afford to.

The India-Pakistan cease-fire has now held for 19 months, but the move from cease-fire to peace agreement seems a little closer to resolution than when they began. The principal obstacle is that India wants to establish the Line of Control—the military line that divides Kashmir—as a permanent international border while Pakistan refuses to accept the Line of Control as a permanent border. Nevertheless, on April 18 President Musharraf and Prime Minister Singh signed a declaration that the peace progress was irreversible. Cross border terrorist attacks in Pakistan and India have declined by 60 percent, although a new anti-infiltration fence along the border may have as much to do with reduction as politics.

Although final resolution seems distant, there appears to be little desire for a return to military confrontation. Peace between Pakistan and India is of key American interest and letting them work it out is the best possible solution.

Continuing with Pakistan, Islamabad has been a bulwark against terrorism. President Musharraf joined the war on terrorism despite the numerous political and personal risks. Furthermore, in another politically risky move, President Musharraf joined India in the cease-fire in Kashmir. President Musharraf and Pakistan should be congratulated and rewarded for these deeds.

At the same time intelligence reports repeatedly assert that in border areas of Afghanistan, Taliban and al-Qaeda remnants continue to find safe haven and often with the connivance of local Pakistani authorities. Additionally, Pakistan has not yet fully accounted for or revealed the full extent of its nuclear program or let the United States interview Dr. Abdul Qadeer Khan, the man considered most responsible for Pakistan's nuclear weapons, as we have brought up here many times already.

In any event, the long-term stability of Pakistan depends on the return of democracy. Musharraf must be asked to make good on his many promises and return democracy to Pakistan.

Turning to Nepal, the security problem in Nepal is growing worse and there is a possibility that Katmandu will fall to the Maoist rebels. Since the King's dissolving of the government, there has been a dramatic increase in human rights abuses and no improvement in the security situation. The United States should maintain its arms embargo on Nepal until the King restores democratic rule. Current policy of providing human rights training to the military is acceptable but should not be expanded. Human rights abuses in Nepal are not a product of poor training but bad policy.

In conclusion, South Asia is a region that stands on the brink of becoming a major economic and military power. A little over a decade ago, South Asia was regarded by the United States as a third-class backwater. However, today this attitude has largely dissipated, in part due to the growing Indian-American community.

I conclude my remarks here by thanking the Committee for inviting me to speak, and I look forward to your questions.
[The prepared statement of Mr. Dillon follows:]

PREPARED STATEMENT OF MR. DANA ROBERT DILLON, SENIOR POLICY ANALYST, THE HERITAGE FOUNDATION, ASIAN STUDIES CENTER

Thank you, Mr. Chairman and Members of the Committee for inviting me to speak today on American interests in South Asia. I must begin my testimony with the disclaimer that the following statement are my personal views and do not necessarily reflect the views of the Heritage Foundation.

Among the most appealing changes brought by the end of the Cold War is the flourishing American relationship with the billion and half people of South Asia. The United States shares many interests with the countries of the region. In general, the people of South Asia share our devotion to democracy, even if some of the governments fall short of that commitment. While undoubtedly there are feudal remnants and pockets of Islamic fundamentalism, most of the people that live in that region value human rights, oppose terrorism, and want to protect their increasingly endangered environment. A commitment to free markets is relatively new, but economic reform has strong intellectual support, and there is a growing middle class committed to opening the economies of the region. An entrepreneurship of ideas is also flourishing in South Asia. There are numerous independent think tanks, where ideas compete and good ideas, like free markets, can grow.

The most important imperative of post Cold War South Asia is that the countries and peoples of the region have decided to join the global economy and act on the global stage. They are attempting to reform their economies from socialism to free markets and someday graduate from the developing to the developed world. They will accomplish these goals with or without American participation. It is in America's best interest to act as a friend and partner to the countries of South Asia and participate with them in their transition.

Let's shift to specifics.

INDIA

India is the greatest under-exploited opportunity for American foreign policy. Since the end of the Cold War and the Indian government's 1991 enactment of economic reforms, the U.S.-India relationship has developed from mutual suspicion to dreams of a grand alliance by some. Although it is easy to see the potential of an American-Indian coalition, we do need to take into account the obstacles that still exist. India's economy is growing, make no mistake about it, and it has a long way to go before it will be considered a safe berth for foreign direct investment. Then there is the fact that many Americans really know very little about India and few seemingly desire to know more.

Nevertheless, both countries share concerns about terrorism and China's emergence as a world power, while sharing the moral certainty that democracy is the best form of government for our own countries and the world. Moving the relationship from where we are today to a future where the United States and India work closely together to secure global peace and prosperity should be the priority task of American foreign policy in the 21st century.

India and China

The United States needs to build its relationship with India with an eye toward regional and world security. The U.S.-India relationship is valuable for its own sake and, in the Indian view, should not be thought of as an anti-Chinese alliance. Beijing fears an American containment strategy with India as its South Asian cornerstone. An open American strategy of attempting to use India to balance China would be counterproductive to the development of US-India relations. For India, outright confrontation with China would be expensive and pointless as long as China can be convinced to cooperate on key Indian interests such as border dispute resolutions, nuclear and missile proliferation with Pakistan and Islamic terrorism.

For the United States, policy should focus on building India's economic competitiveness, its military capability and its international standing in forums such as the United Nations to counter growing Chinese hegemony if necessary. Both the Indians and Americans have an interest in a peaceful, non-threatening China, and both need to take careful, sophisticated measures to move China in that direction while at the same time, in effect, preparing for other contingencies.

India and Trade

If India is important to American foreign policy, then opening India's economy should be Washington's first priority. Plans and ideas of mutual cooperation in defense, space and environmental protection all depend on India having the resources to carry out its side of the bargain. Many economists both within India and abroad predict high growth levels in the decades ahead that will propel India to "great power" status. Goldman Sachs released a report in 2003, which predicts that by 2050, India will be the third largest economy behind China and the United States. This prognosis is based primarily on the relative youth of the labor pool and the expected growth of India's population over the next fifty years.

The U.S. economy is already closely intertwined with the Indian service sector and the growing Indian middle class (now larger than the U.S. middle class) provides a huge market for American businesses and investors. Without continued progress in economic liberalization, India's potential will remain unrealized. The United States must continue to offer its expertise to India by placing India as a high priority for the United States Trade Representative, bearing in mind that economic liberalization will take time.

India and the United Nations

India's role in the United Nations is very problematic for the United States. In 2004, India voted with the United States in the United Nations only 20 percent of the time. In comparison, China and Russia vote with the United States less than India, supporting the U.S. 8.8% and 18.6 % respectively. This begs the question of whether it is in U.S. interests to support the expansion of the United Nations Security Council (UNSC) with multiple new permanent members. It already is difficult for the United States to get key resolutions adopted with a current 15 member Security Council. However, if we believed that India would support U.S., interests to a greater extent, it may well be in America's interest to support a permanent seat for the Delhi. The United States should weigh carefully the kind of U.N. role for India that would be in our overall interest, understanding that New Delhi is never going to agree with us 100% of the time.

U.S.-Indian Security Cooperation

U.S.-Indian defense cooperation is the most dramatically evolving aspect of the bilateral relationship. When India tested its first nuclear weapon in 1998 the United States stopped all defense cooperation with India. Now the United States has restored all conventional mil-to-mil cooperation. Under the auspices of the Next Steps in Strategic Partnership (NSSP), the U.S. began cooperation with India on the civilian use of nuclear power and civilian space programs.

In a March 21, 2005 op-ed in the Wall Street Journal Ambassador Robert Blackwill asked the question, "Why should the U.S. want to check India's missile capability in ways that could lead to China's permanent nuclear dominance over democratic India?" "Indeed, there is every reason to help India become a friendly strategic partner and for India to possess a deterrent that would inhibit Chinese adventurism in the region. The United States should continue to expand and deepen its military relationship with India.

India and Pakistan Ceasefire

The India-Pakistan ceasefire has now held for 19 months (since November 2003), but the talks to move from a ceasefire to a peace agreement seem little closer to resolution than when they began. The obstacle is that neither side has the political will to compromise on Kashmir. India wants to establish the Line of Control (LOC)—the military line that divides Kashmir—as the permanent international border between Pakistan and India. Pakistan, on the other hand, refuses to accept the LOC as the permanent border. Both countries are also divided on American participation in resolving the issue. Pakistan is desperately trying to gain American involvement, while India steadfastly opposes any "third party interference."

Nevertheless, on April 18, 2005 Pakistani President Pervez Musharraf and Prime Minister Manmohan Singh signed a declaration that the peace process was irreversible. Cross border terrorist attacks from Pakistan into India have declined by 60 percent, although a new anti-infiltration fence along the border may have had as much to do with the reductions as the change in politics. In another positive sign, there have been far fewer cross-border artillery duels. As a consequence of the peace process, life along the LOC has begun to improve. On April 7, cross border bus service resumed and both governments have permitted an increase in informal people-to-people contacts between family and friends divided by the LOC. Both sides are also working towards greater economic integration. Although final resolution to the question of Kashmir seems distant, there appears to be little desire for a return to

military confrontation. Peace between Pakistan and India is a key American interest and letting them work it out peacefully amongst themselves is the best course for American policy.

PAKISTAN

Pakistan has been an important bulwark against terrorism. President Musharraf joined the war on terrorism, despite the numerous political and personal risks. Musharraf should be congratulated and rewarded for those deeds. But, at the same time caution is also warranted, as intelligence reports repeatedly assert that in the border area with Afghanistan, Taliban and al Qaeda remnants continue to find a safe haven, and often with the connivance of local Pakistani authorities. Additionally, Pakistan not yet fully accounted for, or revealed, the full extent of its nuclear program, nuclear and missile technology proliferation or let the United States interview Dr. Abdul Qadeer Khan, the man considered most responsible for Pakistan's nuclear weapons development and proliferation.

The long-term stability of Pakistan depends on the return of democracy, and it will not be guaranteed by side deals with local magnates or corrupt politicians. Musharraf must be asked to make good on his many promises and return democracy fully to Pakistan, using free and fair election.

U.S. policy should focus on the war on terrorism, dismantling Pakistan's illegal nuclear proliferation network, strengthening Pakistan's economy, and promoting democracy.

BANGLADESH

Bangladesh has managed to cling to many elements of democracy despite the considerable challenges of its geography, its population and economic troubles. The government appears to be incapable of enforcing law and order. Human rights abuses by the security forces, official corruption, anti-government insurgencies and organized crime prevail. Chittagong, Bangladesh's major ports, is one of the worst ports for maritime piracy outside Southeast Asia. Some ships docked in the port report being attacked two or three times in a single night. Additionally, the weak rule of law has lured international terrorists. Despite Bangladesh government denials, the U.S. State Department reports that Al Qaeda-linked terrorists are operating in the country.

American policy toward Bangladesh should focus on strengthening all aspects of the rule of law including police, prosecutors, and the judicial system.

NEPAL

The security problem in Nepal is growing worse and there is a possibility that Nepal will fall to the Maoist rebels. Nepal has been embroiled in a civil war with a Maoist communist insurgency since 1996. By 2004, the insurgency claimed more than 11,000 lives, spreading to 68 of Nepal's 75 districts and the communist forces nearly surround the capital, Katmandu. On February 1, 2005 King Gyanendra dismissed the government, declared a national emergency and instituted an absolute monarchy.

India, the United Kingdom and the U.S. condemned the King's power grab, while China welcomed it. Despite the insurgents claim that they are Maoists, China denies any connection to the communist insurgency and supports the government of Nepal, in exchange for Nepal's suppression of Tibetan refugees. India has moved additional forces into states adjacent to Nepal in order to contain any spill over from the insurgency or related organizations.

Since the King dissolved the government there has been a dramatic increase in human rights abuses, proving that an absolute monarch is in some cases no better than a communist dictatorship. The United States should maintain its arms embargo on Nepal until the King restores democratic rule. The current Pentagon policy of providing human rights training to the military is acceptable, but should not be expanded. Human rights abuses in Nepal are not a product of poor training, but bad policy. Additionally, the United States should consult with India on how the U.S. can assist India in suppressing insurgent forces operating in India's territory adjacent to Nepal.

SRI LANKA

In Sri Lanka, government forces and Tamil Tiger insurgents cooperated during the first days after the December 2004 tsunami disaster. This cooperation may have been because it was Tamil areas that were particularly hard hit by the flood. Only a few weeks later, the Tamil Tiger leadership was complaining of discrimination

against Tamils in the distribution of international aid. There is little evidence that the brief time that the Tamil Tigers and Sri Lankan government worked together on disaster relief will lead to a rebuilding of the tentative ceasefire accords that fell apart in mid-2004.

By June 2005 the Sri Lankan government and the Tamil Tigers had managed to work out a "Joint Mechanism" for the distribution of tsunami aid, but the agreement appears fragile at best with very little commitment on either side. U.S. policy should be to maintain the Liberation Tigers of Tamil Eelam (LTTE) on the list of international terrorist organizations while at the same time limiting lethal aid to Sri Lanka's security forces.

CONCLUSION

South Asia is a region that stands on the brink of becoming a major economic and military power. A little over a decade ago South Asia was regarded by the United States as a third-class backwater. Today this attitude has largely dissipated. It is not only Pakistan and India's nuclear capabilities that have drawn the attention of the United States and other developed nations, but also the region's rapidly growing economy. The dependence of many multinational firms on the regional service sector has made India and other regional countries a permanent priority to American policymakers.

I will conclude my remarks here by thanking the Committee for inviting me to speak and I look forward to your questions.

Mr. LEACH. Thank you very much. If I could turn quickly to Dr. Tellis.

As you know, the NPT requires all sorts of requirements on recipients, and most particularly, IAEA safeguards. Are you suggesting that we ought to abandon these requirements vis-a-vis potential sales of nuclear material to India?

Mr. TELLIS. No, sir. I think the idea of engaging India at the level of amending the NPT or abandoning NPT requirements is an issue that is really far down the road. There are several things that we can do along the way until we even get to that point.

And the suggestions that I have made in the testimony today really have to do with simply modifying Administration policy, not amending any domestic U.S. laws or altering any of our international obligations. At some point we may come face to face with those obstacles, but we are not there yet.

Mr. LEACH. Thank you. One of the things that we hear a lot about, but I mean just from a congressional point of view have as little capacity to get a real feel on as anything, is the instability of Kashmir and who is responsible for it and why. Dr. Cohen, in terms of Pakistani involvement, one has a sense the government would like to have some restraint and one also has a sense that aspects of the government are not restrained. What is your view of this circumstance?

Mr. COHEN. Mr. Chairman, let me say that I think there is widespread misunderstanding about the importance of Kashmir in India-Pakistan relations. It is important. It is the most important single issue between the two, no question about it. But the very fact that there is a power disparity between India and Pakistan and that power disparity is growing, plus the fact that Pakistan is governed by the military, means that essentially there is an existential conflict between the two; that is, Pakistan feels deeply insecure vis-a-vis India, India has its own problems vis-a-vis Pakistan. And from a Pakistani perspective, whether you like it or not, especially from a Pakistani army perspective, the only way they can balance India right now is by creating trouble in Kashmir. So there

has been systematic overt and covert support by Pakistan to separatists and others in Kashmir.

Now President Musharraf has moved the debate in Pakistan 10,000 miles from where it used to be. Where Kashmir was non-negotiable, and it had to come to Pakistan, they are now discussing in Islamabad and elsewhere in Pakistan all kinds of alternative arrangements for Kashmir. There has been enormous progress in Pakistan itself debating the future of Kashmir, and in India I think the debate has also been there but the Indians have to accelerate it. The statements by the BJP leaders are remarkable, and that also goes to another critical difference between India and Pakistan; that is, their differences in identities, Pakistan being an Islamic state and India being a secular state. So I see greater possibility for movement and normalization not only in Kashmir, but eventually reconciling the military balance between the two. We don't want to equate the two, but the fact that they both have nuclear weapons means that there is strategic equality between them. In neither country does any leader want a major war between them. In both countries the calculation of a minor war or a provocation is there, and I think the risk is that a terrorist attack could put them where they were in 2002 at the brink of major war.

Mr. LEACH. Mr. Dillon, did you want to add to that?

Mr. DILLON. On the Kashmir dispute, I think he has done a pretty good job outlining the problems. Frankly I don't think I can add much to it.

Mr. LEACH. Thank you. Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Dr. Tellis, I do note with interest your testimony that you fully support the sale of F-16s to Pakistan. Could you share your analysis of why you think this is justified?

Mr. TELLIS. I think our relationship with Pakistan exists on multiple levels. As I said in the testimony, in an ideal world, we would have no reason to do this. But we have a complex relationship with Pakistan which requires us to provide them with some inducements relating to things that are important to them. I think our first order of business must be to assist Pakistani society. I think the Administration is doing that through various kinds of economic and social assistance. But to make that work in ways that are important to our interests, we also need to keep the Pakistani State engaged, and Steve Cohen used a wonderful line to describe this: We need to leverage the military's interest and the relationship with the United States.

Given these considerations, I think selling F-16s would have great symbolic importance to Pakistan and is a risk that we ought to take. It is not going to change the military balance at the moment. If anything, I think Indian and Pakistani military inventories over the next decade, as far as the air force is concerned, are going to drop because you have a large number of very obsolete airplanes which will have to be replaced. So I see this as a modest investment.

Could we do otherwise? I am sure we could. But given Pakistan's interest in this particular airplane, I think this is a small risk for us to take.

Now having said that, I am in complete agreement with my fellow panelists that there are things that General Musharraf can do

to ease all the dilemmas we face in making this decision. I think he can come clean on the issues relating to A.Q. Khan. I think he can move much more systematically on issues relating to restoring democracy, and he can make a clean break on terrorism, and I certainly think that we ought to be encouraging him to do that as we go forward with this.

Mr. FALEOMAVAEGA. I read Secretary Rocca's statement, the very essence of selling the F-16s is to create a military balance, and you are saying it is irrelevant. It doesn't make sense.

Mr. TELLIS. That is not my judgment. I don't see selling Pakistan F-16s as a mechanism for equalizing the military balance between India and Pakistan.

Mr. LEACH. What do you suppose India will gain from this?

Mr. TELLIS. As far as I understand, the Indians certainly dislike the prospect of the Pakistanis getting F-16s. But I think they will live with it because they are not looking at the F-16 transfers to Pakistan as a single issue between the United States and India and Pakistan.

I think they have made the judgment that much as they dislike American policy on this question, they will live with this policy if it is compensated by a tighter United States-India relationship and changes on policy issues that matter more to them.

And the four issues that they have identified are progress on civil nuclear cooperation, civil space cooperation, dual-use high technologies and military technology.

Mr. FALEOMAVAEGA. Do you think that one of the issues might also be that India might be part of our strategic missile program?

Mr. TELLIS. I think they have not made that decision yet. They are looking into what missile defenses can and cannot do. If they make the decision to be part of the U.S. missile defense program, I think what they would want more than anything else is really early warning data about missile launches. This is a logical thing for them to want, given the environment in which they are located, but they haven't made decisions about whether they are going to purchase U.S. missile defense systems or whether they are going to join in the missile defense program in any formal way.

Mr. FALEOMAVAEGA. You can say that—if this is not going to change the military balance, are you suggesting that this is probably only symbolic that we sell the F-16s to Pakistan, more of a symbolic gesture because Pakistan has a need for them?

Mr. TELLIS. I don't want to reduce it entirely to a symbol. Obviously, if it was just symbolic, the Pakistanis wouldn't have need for it. From a Pakistani point of view, I see their desire for F-16s as really an effort to maintain a certain minimally-sized air force. You have an air force which has basically hovered at about 300-odd airplanes for the last decade. Many of those airplanes will have to be retired over the next 6 to 7 years, and they have to buy replacements for them if they want to maintain force size. They will buy those replacements. The only issue is whether they will buy them from the United States or whether they will buy them from France or whether they will buy them from some third party.

Mr. FALEOMAVAEGA. I will ask Dr. Cohen. You mentioned that the Administration is not paying enough attention on another potential India-Pakistan war. Can you elaborate on that?

Mr. COHEN. Yes, Congressman. I think the Administration policy has been—and this is true of a number of Administrations—leave Kashmir alone because it is seen as an intractable problem. And right now, because things are going so well in the India-Pakistan dialogue, there is even less incentive to get involved.

Yet this present love affair between India and Pakistan could break down. It would take new terrorist attacks or a change in leadership in one or another country, and you might see relations deteriorate very quickly. We should be prepared for another serious crisis, where we would again send out senior officials. But we should do more than that officially and the private sector can do some of this in terms of thinking about new ideas for the settlement of Kashmir.

The most important thing we can do to delink Pakistan from the Kashmir issue is to help India and Pakistan develop proposals or ideas which would make it possible for them to achieve a win-win settlement. Part of the Kashmir problem is that politically both sides have to declare victory, and they are in a position where neither side can be seen to make a major compromise. My guess is that this may go on forever, but we should be prepared to intervene or send our diplomats out there should another crisis break out, and also anticipate the rough spots in the dialogue—and they may well come soon—and be there to help them, either with incentives, ideas or perhaps technical assistance, or, for example, satellite information, when they pull their armies out. So there are a number of small ways we can help.

I don't think a high profile American effort is necessary or desirable. This should be low-key diplomacy, perhaps based in the State Department. You don't want the President involved in this at a high level, certainly.

Mr. FALEOMAVEGA. You might suggest, let both sides declare victory and go home.

Mr. COHEN. That is the essence of the problem because, especially on the Pakistani side, any settlement would be seen by the Pakistan army as 50 years of wasted effort to confront India.

Mr. FALEOMAVEGA. What percentage of the budget does Pakistan commit to its military?

Mr. COHEN. I can't give you the figure offhand, but compared with other countries, it is much higher. I think double or triple that of India.

Mr. FALEOMAVEGA. The same with India as well, right?

Mr. COHEN. India is in the low average.

Mr. TELLIS. As a percentage of GNP, India usually spends a little less than 3 percent on the military, and Pakistan spends, I believe, close to about 6 percent.

Mr. FALEOMAVEGA. You mentioned, Dr. Cohen, about exile leaders. Is Madame Bhutto included in this category?

Mr. COHEN. Certainly. And Nawaz Sharif and others. The military's strategy has been to prevent any of the mainstream parties from emerging as an alternative. What deeply concerns me about the long-term future of Pakistan is that the army believes that it can run Pakistan from top to bottom—schools, businesses, universities—everything. They are well trained, and they are competent. And as they often claim, they have been promoted the basis of

merit. But they have never been to business school. They are not businessmen. They are not educators. This is out of their area of competence. They can't run a country's foreign policy and defense policy and its domestic politics; no army in the world has been able to do that.

It is in the army's own interests that it retreat from politics, allow moderate parties to fill this space. The Army's policies actually drive up support for the radical Islamists in Pakistan. So I do think that Benazir Bhutto and Sharif and the others should be allowed back and allowed to function freely without interference by Pakistan intelligence services.

Mr. FALCOMA. Historical perspective about the fact that, at the height of the Cold War, we supported a lot of dictators who were anti-Communist, and in many instances, they used Communism as a front to allow themselves to continue to be Communist dictators. Markos is an example, along with several others.

Do you think that perhaps they are using terrorism as a front to justify their own existence by continuing to become dictators?

Mr. COHEN. Well, the Pakistani military leadership has a strategy of saying, "Help me or else"—and for the record, I am holding my finger up to my head like a gun—"We are your last chance, we are your last opportunity." I don't think that is true. I think Pakistan has the components and the capability of evolving as a democracy. It hasn't done this partly because of civilian incompetence. There is no question that the decade of democracy in Pakistan was a catastrophe, but that catastrophe could have been fixed by a fresh election. And Musharraf should have, after the coup, which was in some ways justified, declared new elections and got the system started again.

But the military itself can't govern Pakistan. If it does, the system will continue to deteriorate in many critical ways, and the only group that will benefit from this will be the various gaggle of Islamist radicals in Pakistan. Right now, they are not a threat to the military. They are not a threat to anybody except themselves. But if they were in a normal democratic system, they would probably get 3 to 5 percent of the vote at most. The centrist parties would probably prevail.

Mr. FALCOMA. So for several reasons, I gather that all three of you do support the United States policy of selling F-16s to Pakistan?

Mr. DILLON.

Mr. DILLON. Yes. In fact, a couple months ago, right when they announced the selling of F-16s to Pakistan, we were having a conference, a United States-India security conference at The Heritage Foundation. And at that conference, we had Air Chief Marshal Krishnaswamy who had just retired from being the man in charge of the Indian Air Force. And when I had him alone for a few minutes and when I asked him what he thought about the sale of F-16s through Pakistan, he said almost exactly what Dr. Tellis said. They said we can live with it; it is not—our air force is superior to theirs, and we are capable of handling the air defense problem. And if India is not concerned, we certainly—we at The Heritage Foundation are not concerned.

Mr. FALEOMAVAEGA. I suppose that India is not concerned because we are giving something to India, too, as well.

Mr. DILLON. Right, exactly.

Mr. FALEOMAVAEGA. All right. Thank you.

Mr. LEACH. In the spirit of enlightened moderation, I would like to recognize Mr. Burton.

Mr. BURTON. What does that mean?

Mr. LEACH. Well——

Mr. BURTON. Never mind. Your definition and mine might not agree.

Let me just say that I take issue with some of the things that have been said, but by and large, I agree with most of the things that you have said.

The one thing that has troubled me a little bit about the whole hearing is that—while I really think that India and Pakistan talking now is a giant step in the right direction—it may only be temporary, but at least they are moving in that direction. I think that is great. The tone has been that Pakistan is the bad guy, and India is the good guy. You know, Pakistan has been an ally of ours as far back as I can remember. In Somalia and Afghanistan, they have always been there.

On the other hand, India has not. During the Cold War, India was a very strong supporter of a lot of the Soviet's goals, and they even had production plants there for T-55 tanks and so forth. And as you know, India had not been with us very much in the U.N.

And so, you know, there are problems on both sides, and I think that I was hopeful there would be a little bit more balance in that regard. Obviously, we would like to see Pakistan move more rapidly toward democracy, but in many cases, that is not possible, especially under the circumstances we find ourselves right now and they find themselves. You have got terrorists over there. Musharraf's life has been threatened, and there have been attempts on his life a number of times. It is just a difficult time.

But by and large, I agree with most of what you said. I am hopeful that this dialogue between India and Pakistan will continue. I think the F-16 sale should go on. The point that you made, if they don't buy them from us, they are going to buy them from somewhere else anyhow, and we could sure use the sales. And they are the authors of their own defense needs over there. They know what they need. We can't run the whole world.

I would disagree with you on one thing, Mr. Dillon, about our highest priority on trade. Right now, as Chairman of the Western Hemisphere Subcommittee, I believe that CAFTA and the Indian Free Trade Agreement are extremely important. The poverty rates in Central and South America are very, very high, and if we don't do something to deal with that, through trade or through CAFTA or the Indian Free Trade Agreement, I am very concerned that we might see some of those fledgling democracies down there start to crack.

Mr. DILLON. That was in the context of South Asia. I agree with you on——

Mr. BURTON. Some might have some differences of opinion with some of the people on the Committee—and I never voted for these trade agreements—but I think CAFTA and the Indian trade agree-

ments are very important right now, not just for trade but because of our security and the immigration problem we face.

But with that, let me just say, Mr. Chairman, I think it has been a very good hearing, and I hope that you gentlemen with your expertise will continue to give us the benefit of your knowledge and those in those other countries, India and Pakistan, to continue on down the path toward peace. I think it would be unbelievable if the thing ever gets out of hand over there. With that, thank you very much.

Mr. LEACH. Well, thank you very much.

I would like to conclude with one question I would like to probe just for a second with you, Dr. Cohen. I think you very wisely suggested that there is a great deal of uncertainty in this India-Pakistani situation, and war could—or escalation could break out at any point. And we are in a world in which these decisions aren't always made by governments. Precipitating acts can be made by small numbers of people employing rather extraordinary techniques of terrorism. And you know, 17 people did 9/11. And a very small number of people can do certain things in either capital or in Kashmir that could cause a sudden escalation. And if you were to handicap this, is this one of these 5 percent possibilities, 30 percent possibilities, 50 percent? There was kind of a schoolyard wisdom of a decade or so ago that Pakistan and India had to have a war every generation. What do you sense?

Mr. COHEN. It is hard to give figures, but a breakdown of the dialogue is more likely than a nuclear exchange between the two countries, which is very, very unlikely, although accidents do happen in both categories.

I would state that it might be slightly more than 50 percent that this dialogue will not continue. This may not lead to a new crisis, but they may find that they cannot reach substantive agreement on real issues. So far, they have reached agreement on a whole range of confidence-building measures—buses and people going back and forth—but on issues such as Siachin Glacier, where both armies are up there, or on the Sir Creek, which affects oil exploration and a lot of other issues, there is really no significant agreement. We can help on the oil and gas pipelines.

I agree with Dr. Tellis' proposal that we tell the Indians and Pakistanis that if you want to work through Iran, we will not raise any objections. It is far more in our interest, even from this Administration's perspective, to have India and Pakistan working together in a common economic effort with Iran than to restrict Iran's economic ties. There are ways we can help encourage this process.

Mr. TELLIS. If I could just add one thing to that. I think a great deal is going to depend on the kinds of targets that these terrorists could attack and the background conditions under which these attacks take place. So long as the Indo-Pakistani relationship is going in the right track, the dialogue between the two countries continues, it provides the Indian leadership with a certain degree of shock absorption in the face of a terrorist attack, should it occur. And so it is very important, I think, that the dialogue continue, irrespective of whether there are gains actually being made. The

process itself creates a set of stable expectations. It teaches them the benefits of stable cooperation, so that is very important.

The second element that I would emphasize is that it is really important that the Pakistanis make good on their commitment to control infiltration, because that is, in a sense, the prophylactic device that prevents us from getting to that point of crisis. If the Indians see Pakistan as being sensitive to the issue of infiltration and a terrorist attack occurs, it provides the government with a certain buffer because they see Pakistan's good intentions, and they make allowances for it. If a terrorist attack, on the other hand, occurs in the face of what they see as Pakistani support for continued infiltration, then the calculus in New Delhi changes dramatically and comes closer to the crisis that we fear.

Mr. DILLON. Well, I agree 100 percent with what both gentlemen have said. But I would go on to say that the longer the talks go on, the more chances are that they are not going to break down, because the more individual things outside of Kashmir that they can agree with, then the less reason there is to go to war.

And one more thing for Congressman Burton. I did not blame Pakistan for Kashmir. I think they are both at fault. I just wanted to point that out.

Mr. LEACH. Well, let me thank you all. You have been terrific, and I am very appreciative. And I am sure I speak for the panel. Thank you, all. The Committee is adjourned.

[Whereupon, at 12:13 p.m., the Subcommittee was adjourned.]

A P P E N D I X

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PREPARED STATEMENT OF THE HONORABLE DAN BURTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA, AND CHAIRMAN, SUBCOMMITTEE ON THE WESTERN HEMISPHERE

Mr. Chairman, thank you for convening this timely and important hearing this morning to highlight the recent developments, trends, and United States policy throughout the South Asia region.

INDIA AND PAKISTAN

As you know, India and Pakistan have been in a constant state of military preparedness for nearly six decades. The unfriendly nature of the partition of British India in 1947—which ultimately evolved into three wars in 1947–48, 1965, and 1971—and the continuing dispute over Kashmir has become a major source of violence and tension around the region. Regardless of the widespread poverty throughout South Asia, both India and Pakistan have manifested their militaries into large defense establishments at the cost of social development and economic stability. These weapons include everything from overt nuclear weapons capability to ballistic missile programs. The United States must work together with Pakistan and their neighbor India to avoid a deadly, costly, and destabilizing fourth war within the region.

The United States and Pakistan have a half-century relationship of working through international security concerns, and after a brief post-Cold War era hiatus, the U.S. and Pakistan have begun to work hand in hand once again—especially since the beginning of the U.S.-led Global War on Terrorism, in which Pakistan has remanded to U.S. custody approximately 500 fugitives.

Pakistan—after the September 2001 terrorist attacks on the United States—pledged and has provided support for the U.S.-led anti-terrorism coalition. In fact, Pakistan afforded the United States unparalleled levels of assistance by: allowing the U.S. military to use bases within the country; tightening the border between Pakistan and Afghanistan; and, helping to identify and detain extremists. Moreover, in a January 2002 address, President Musharraf of Pakistan vowed to end his country's use as a base for terrorism of any kind, effectively banning several militant groups.

President Musharraf is literally in a fight for his life and for the life of his country. He has made some hard choices and controversial decisions. But I firmly believe the United States must make the hard choice too and make the difficult long-term commitment to the future of Pakistan that is truly in the best interest of both Nations. Sustaining the current scale of aid to Pakistan, the United States should support Pakistan's government in its struggle against extremists with a comprehensive effort that extends from military aid to support for better education. The safety and security of our Nations depend upon the United States making a long-term economic, humanitarian, cultural, and military commitment to Pakistan.

Earlier this year, I was pleased to see India and Pakistan working together as they launched a landmark bus service across the Line of Control in Jammu and Kashmir. The 'peace bus' as it was noted allowed families divided by the Line of Control to be reunited for the first time in nearly 60 years. In addition, on April 18, 2005, India and Pakistan concluded a historic three-day summit in India in which Prime Minister Singh and President Musharraf held meaningful talks on all issues, including the issue of Jammu and Kashmir, and came to a series of agreements to boost trade and cross-border travel—declaring in a joint statement that they were “conscious of the historic opportunity created by the improved environment in relations.”

NEPAL

Mr. Chairman, I am deeply concerned about the state of governance, rule of law and human rights in Nepal. Nepal's King Gyanendra declared a state of emergency, dismissed the government and assumed direct power. The last time there was a state of emergency in Nepal in 2001–2002 there was widespread lawlessness and serious human rights violations. There is a crisis in Nepal and not enough being done to stem the tide of violence from the nine-year civil war between rebels of the Communist Party of Nepal (Maoist) and government security forces.

Both sides of the conflict bear responsibility for subjecting the civilian population to injustices that are well-documented, including extra-judicial killings, enforced disappearances, arbitrary detention. The army's disregard of Supreme Court habeas corpus orders have undermined judicial oversight of detentions, one of the most important legal protections against "disappearances."

The Maoists also perpetrate serious abuses. International groups have documented many summary executions of civilians, often preceded by torture, often in front of villagers and family members. The Maoists have assassinated or executed suspected government informants, local political activists or non-Maoist party officials, local government officials and civil servants, and individuals who refuse their extortion demands. There are reports Maoists recruit children, making them carry ammunition and supplies to the front lines. The Maoists have also abducted students from schools for political indoctrination. Demobilization and reintegration of these child soldiers is proving to be very difficult.

King Gyanendra's seizure of the levers of power last month had profound consequences. All independent Nepali media are closed down and state owned radio announced that a number of rights—including freedom of movement and freedom of assembly—are suspended.

The conflict has had a devastating impact on the population. Nepal is among the poorest countries in Asia, with almost 40% of the 23 million people living below the poverty line. Life expectancy at birth is just 59.6 years and infant and maternal mortality rates are among the highest in the region. The literacy rate is only 44 percent. Health and education services is woefully lacking and the problem is compounded in areas under Maoist control.

The Government of Nepal has refused any international or foreign mediation of the civil war against the Maoists, and resisted strong pressure to allow a joint national and international commission to monitor human rights conditions in the country. Nepal continues to host over 100,000 refugees from Bhutan and has failed to make progress in finding a durable solution to the fifteen-year impasse. UNHCR is planning to withdraw assistance in 2005, leaving the fate of the refugees uncertain. This population is at high risk of statelessness.

The international community should increase pressure on the government to respect human rights. India has opposed a larger international monitoring or mediation role in Nepal because it opposes a similar international role in Kashmir. India is also battling its own insurgent Maoist groups. The United States has continued its policy of refusing to negotiate with Maoist organizations, and has cast Nepal's Maoists as enemies in the "war on terror." More recently, the U.S. passed a bill conditioning military assistance on the government's compliance with a commitment to cooperate with the NHRC to resolve "disappearances." Last week the British government suspended a planned package of military assistance.

The international community has supported the National Human Rights Commission (NHRC) in its appeal to both the government and Maoists to agree to independent human rights monitoring in conflict zones. The two sides have agreed to neutral monitoring as a matter of principle, but neither side has signed a human rights accord allowing for such monitoring.

There is a total disregard for the security of civilians by both the army and the rebels. Army abuses since emergency powers were taken have spurred even greater abuses by the Maoists. An end to this conflict is only possible if both the Maoists and the Royal Nepali Army stop attacks on civilians and discipline troops responsible for these abuses. This is the first step towards the longer term goal of restoring stability in Nepal.

Unfortunately, just one short week ago, Nepal's Maoist rebels admitted a "grave mistake" and claimed responsibility for a bus bombing, which killed at least 36 people and seriously injured dozens more. The bombing provoked outrage in Nepal as the Maoists rebels continue to step up their campaign with deadly attacks on troops since King Gyanendra imposed a state of emergency and assumed absolute power on February 1, 2005.

In addition to the devastating and unfortunate bus bombing, more than 40 journalists—during their protest against curbs on press freedom—have been arrested in

Nepal's capital, Kathmandu. As you know Mr. Chairman, King Gyanendra introduced restrictions on reporting after assuming direct control of Nepal.

BANGLADESH

As the United States continues to focus on Bangladesh's political stability, democratization, human rights, and social and economic development, the country continues to experience widespread malnutrition and poverty. The U.S. State Department's 2003 *Bangladesh Country Report on Human Rights Practices* described the government's record on human rights as "poor." In fact, police have "employed excessive, sometimes lethal force in dealing with opposition demonstrators" and "employed physical and psychological torture during arrest and interrogations." Even more deplorable is the fact that security forces are culpable in numerous cases of "unwarranted lethal force," and "extrajudicial killings."

I am also disheartened that the government of Bangladesh does not fully comply with the minimum standards for the elimination of trafficking, according to the recent U.S. Department of State's Trafficking in Persons (TIPS) report. On the other hand, the country is making significant efforts to stem their trafficking problem. In fact, during the past year, Bangladesh demonstrated progress by: establishing inter-ministerial anti-trafficking committee to oversee its national efforts to combat trafficking; creating a national anti-trafficking police monitoring unit with presence in all 64 districts; prosecuting an increased number of trafficking and trafficking-related corruption cases; rescuing over 161 boys from servitude in the fishing industry; and, by launching a multi-faceted anti-trafficking public awareness campaign.

Moreover, as we move forward on our own U.S. trade agreements, we must also observe with watchful eyes the agreements throughout other regions of the world. In fact—just recently—Bangladesh and Iran signed a trade agreement to boost bilateral trade cooperation, with facilities to re-export products from the contracting countries to third countries—mainly in central Asia. As I have been informed, the trade agreement would facilitate trade from Bangladesh through Iran to the Islamic countries of central Asia and Commonwealth of Independent States (CIS), including Turkmenistan, Azerbaijan, Kazakhstan, and Kyrgyzstan.

SRI LANKA

The scale of devastation in Sri Lanka, Indonesia, and Southern Thailand and the massive loss of life throughout the rest of the region have put this Earthquake and Tsunami in the annals of history of global natural disasters. I extend my most sincere condolences to all the people of the region who have lost loved ones in this unfortunate disaster. My thoughts and prayers are with all of those families who are mourning the loss of loved ones. In Sri Lanka alone, over 31,000 persons were reportedly killed, and over 4,000 are still believed missing. As I have been informed, an estimated 496,000 Sri Lankans have been displaced from their homes.

The Sri Lankan peace process—since April 2005—remains stalled as the Liberation Tigers of Tamil Eelam (LTTE) insist on self-rule. The government has expressed a desire that the LTTE restate that they would explore a federal solution to the conflict, and that discussion of Interim Self Governing Authority (ISGA) be part of a comprehensive peace discussion and not a precondition of such negotiations; however, factions within both the LTTE and government lead to speculation that the peace talks will remain stalled. As you know Mr. Chairman, U.S. policy has supported the efforts to reform Sri Lanka's democratic political system. The reforms should provide for full political participation of all communities, and the United States must do all in our power to play a role in multilateral peace efforts.

The U.S. State Department, in its *Sri Lanka Country Report on Human Rights Practices*, determined that the Colombo government "generally respected the human rights of its citizens; however, there were serious problems in some areas. Some members of the security forces committed serious human rights abuses." The report draws attention to major problems, which include torture of detainees, violence against women, poor prison conditions, child prostitution and child labor, and human trafficking. The government—in order to address some of these issues—investigated past abuses by security and armed forces personnel.

Once again Mr. Chairman, I thank you for holding this timely and critically important hearing today.

PREPARED STATEMENT OF THE HONORABLE GARY L. ACKERMAN, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF NEW YORK

Thank you Mr. Chairman for scheduling today's hearing. With regard to India and Pakistan we have, I think, a tale of two policies: One new and visionary; another old and stale.

In the wake of Secretary Rice's visit to New Delhi a whole range of new possibilities has emerged to strengthen and deepen the ties between India and the United States. Close cooperation and technology sharing on civilian space launches and nuclear power as well as the possible purchase and even co-production of advanced fighter aircraft, are all things that a few years ago would have seemed unattainable, but are now within reach. It is a measure of how far we've come that the United States is offering the kind of cooperation and technology transfers usually reserved for our closest allies. And that is the biggest difference. Our entire strategic frame of reference has changed when it comes to thinking about India. We no longer see India through the lense of the Cold War as an ally of the former Soviet Union. Instead, we see India as important actor on the regional stage and as a nation poised to become a global power.

But in the case of Pakistan, no such vision exists. In Pakistan we have reverted to the old cold war paradigm of supporting any government, however unsavory, that at the moment supports us, and we have invested a great deal in a single man who overthrew an elected government in a coup, to ensure that support. But if ever there was a poster child for the President's "forward strategy of freedom", Pakistan is it.

Yet the President never even mentions Pakistan when he is talking about nations where democratic reform is the necessary antidote to extremism. One would think that in a country with a history of sectarian violence, military domination of politics and support for Kashmiri terrorist groups as proxies against India, the United States would be doing all that we could to encourage the development of strong democratic political institutions and moderate political parties. But we are not.

Every year the Congress authorizes the President to waive democracy related sanctions against Pakistan and every year the President finds he must exercise that authority. In return for our magnanimously setting aside our own laws, President Musharraf altered the Pakistani constitution, conducted a lopsided referendum on his own rule, marginalized the secular civilian political parties, institutionalized the role of the military in Pakistani politics, and reneged on his promise to the Pakistani people and to us that he will resign his military commission.

For those who argue that we must support Musharraf or we'll wind up with Mullahs who have the bomb, I suggest that's a false choice and that our current policy of acquiescing in the marginalization of the moderate secular political parties could make it a self-fulfilling prophecy.

One might also think that in a country with not only a well documented inability to control its own most sensitive nuclear technology, but indeed a proactive effort to export it, the United States might be circumspect about providing Pakistan with our own military technology. But that's not the case.

The Administration's announcement that the United States would license the sale of F-16s to Pakistan is only the latest in an ever escalating list of weapons systems that we seem only too happy to provide to Pakistan.

And what do we get for setting aside our democratic principles, our concerns about nuclear proliferation and showering Pakistan with military hardware? Why cooperation in the Global War on Terrorism!

But I think we should look closely at that cooperation, Mr. Chairman, because while Pakistan seems ready to arrest lots of al Qaeda operatives, they don't seem nearly as eager to clamp down on their own home grown terrorists. Those Kashmiri Jihadis that the Pakistani military and intelligence services are so found of using against India seem to operate with impunity.

Yes, some of these organizations have been banned but they simply re-emerge with the same leadership under different names. Cooperation in the war on terrorism must mean fighting all terrorists, al Qaeda and Pakistani extremist groups, not just the ones that are most convenient.

In the end, I'm left puzzling over what we are trying to achieve in our relationship with Pakistan and must conclude that Pakistan has become a management problem, meaning that this Administration just needs to keep it together long enough to hand off to the next.

Thank you, Mr. Chairman and I look forward to hearing from our witnesses.

RESPONSES FROM THE HONORABLE CHRISTINA B. ROCCA, ASSISTANT SECRETARY, BUREAU OF SOUTH ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE, TO QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE JAMES A. LEACH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA, AND CHAIRMAN, SUBCOMMITTEE ON ASIA AND THE PACIFIC

SRI LANKA

Question:

What is the status of the proposed "joint mechanism" for tsunami relief and discussions on the same within the government? If such a mechanism is agreed to, how can the international community be assured that funds will not be improperly used by the Tamil Tiger guerrillas (LTTE)?

Response:

President Kumaratunga remains committed to signing the "joint mechanism" despite the departure of a key party from her governing coalition in protest. On June 13, the U.S. hosted a meeting of the "Co-chairs"—the E.U., Norway, Japan and the U.S.—which issued a statement of strong support for the President's effort.

The structure to be established under the joint mechanism includes provision for participation of representatives of the international donor community who will be in a position to exercise oversight of assistance activities. The U.S. will not contribute funds through the Joint Mechanism structure if there is any chance they will directly support the LTTE.

Question:

Do you see any signs that the LTTE is becoming more open to the international human rights community, has stopped child recruitment, and has stopped politically motivated killings of dissident Tamils?

Response:

When accused of human rights violations, as in the recruitment of child soldiers, the LTTE's public response has been defiant, but when the issue was reported to the United Nations Security Council, the LTTE appears to have taken steps to reduce the level of recruitment; however, recruitment continues. Ongoing LTTE assassinations of dissident Tamils remain a serious human rights issue. The four nations of the Co-chairs Donor group—the U.S., the E.U., Norway and Japan—issued a statement calling on both parties, the LTTE and the Government of Sri Lanka, to end killings and observe the Cease-fire.

INDIA

Question:

What is the policy of the United States toward the proposed construction of the Indian-Pakistani-Iranian gas pipeline? Under what conditions, if any, could the U.S. support this venture?

Response:

In light of our continuing concerns about Iran, including its pursuit of WMD, support for terrorism, opposition to Middle East peace, and poor human rights record, US policy opposes investment in Iran's petroleum sector and pipelines to, from, and through Iran. A project such as the proposed Iran-Pakistan-India pipeline also raises concerns under the Iran and Libya Sanctions Act (ILSA). During her visit to South Asia in March, Secretary Rice noted that our views about Iran were well known, and that we had made clear our concerns about pipeline cooperation with Iran to Pakistan and India. It is difficult to assess the possible impact of sanctions. The project is still at a conceptual stage.

Countries in the region are concerned about access to stable energy supplies to support their growing economies. We have positive relations with both Pakistan and India, so we want to engage them in a constructive way about their energy needs. We continue to encourage Pakistan to explore alternatives, such as a trans-Afghan pipeline from Central Asia. We have established a comprehensive Energy Dialogue with India so that we may explore ways to assure it a secure energy future.

Question:

I understand that the U.S. and India are now discussing cooperation in the field of civilian nuclear energy. Does the U.S. envision expanding nuclear exports to India beyond dual-use nuclear-related items? Does the U.S. envision signing an agreement for cooperation with India, as it is required under Section 123 of the Atomic Energy Act?

Response:

Recognizing India's growing energy needs that are an outgrowth of its dynamically growing economy, we have launched a high-level energy dialogue with India. No specifics have yet been discussed or committed to. It is therefore premature at this stage to speculate.

Question:

What improvements has India made in its nonproliferation legislation, export controls, or policies? What other partners in nuclear cooperation is India seeking?

Response:

India recently adopted comprehensive export control legislation that provides the government a framework for developing an export control system that meets the highest international nonproliferation standards. We applaud the government for shepherding it rapidly through both houses of parliament. India has indicated it would welcome expanded cooperation with a number of other members of the Nuclear Suppliers Group.

Question:

Is the Administration planning to invite India to participate in the Generation IV, ITER and Radkowsky Thorium Fuel (RTF) international research programs? If so, how would Indian participation be consistent with relevant sections of the Atomic Energy Act of 1954 (including sections 123, 128 and 129)?

Response:

As noted above, it is premature to discuss specific areas of potential cooperation with India in the civil nuclear field.

Question:

Is the Administration planning to permit India to purchase the requisite quantities of low-enriched uranium required for the next fueling of its safeguarded Tarapur 1 and 2 nuclear reactors? If so, would such exports require the negotiation and effective adoption of an agreement for nuclear cooperation between the United States and India?

Response:

Same as answer to previous question.

PAKISTAN

Question:

What is the status of Pakistani terrorist groups such as Lashkar-e-Toiba (LeT), Jaish-e-Mohammad (JeM), Harkat-ul-Mujahideen (HuM) and Hizb-ul-Mujahideen (HM)? Are they still operating in Pakistan and crossing the line of control into Kashmir (or operating elsewhere)? Do they have official support from the Government of Pakistan? Under what conditions, if any, would the Government of Pakistan be prepared to cease support for these and similar groups? Please provide a classified response if necessary.

Response:

The Pakistan Government has formally banned several major extremist organizations, including Kashmiri militant groups, and has prohibited donations to these groups. Nevertheless, some militant groups and individuals affiliated with their activities in Pakistan continue to exist.

The U.S. Government is concerned about the activities of Kashmiri militant groups. We have repeatedly made clear to the Pakistani Government that it must continue its efforts to close all militant training camps and halt all infiltration across Kashmir's Line of Control (LOC).

Question:

Would you agree or disagree with the following quote from the Islamabad-based analyst for the International Crisis Group: sectarian conflict in Pakistan is the "consequence of the marginalization of secular democratic forces. Co-option and patronage of religious parties by successive military governments have brought Pakistan to a point where religious extremism threatens to erode the foundations of the state and society." Please explain.

Response:

Many factors contribute to sectarian violence in Pakistan. These encompass economic, political and social rivalry and competition in localities where such violence

occurs and in the country at large. Geopolitical trends in the region such as the Iranian Revolution and the Soviet occupation of Afghanistan have also fostered heightened sectarian tension in Pakistan.

Some policies by previous Pakistani governments and leaders contributed to conditions leading to such tensions today.

Sectarian conflict in Pakistan is a matter of deep concern that will require a multi-faceted approach to reduce. It must, however be viewed in perspective: while on the rise, these horrific incidents are still more the exception than the rule. In many parts of Pakistan people of different sects live together in peace.

Sectarianism in Pakistan must be addressed urgently, but it should not be treated as a phenomenon isolated from other pressing matters such as poverty, injustice, exploitation, and lack of opportunity.

Question:

I understand from your testimony that the United States expects free and fair elections during the 2005 local and 2007 general elections. In this regard, please respond to the following questions:

- *How do you define “free and fair?” Does that mean that the government should allow Pakistan’s political parties to function freely? If so, does the U.S. support the ability of Benazir Bhutto and Nawaz Sharif to return to Pakistan and resume political activities?*
- *The 2002 elections were widely regarded as neither free nor fair, yet the United States declined to condition assistance to Pakistan or otherwise attach negative consequences to governmental manipulation of the electoral process. If the 2005 elections are not free and fair, what consequences, if any, would there be for U.S.-Pakistan relations?*

Response:

The entire electoral process will be monitored by the international community and by concerned Pakistanis. Throughout the electoral process, interested parties will engage Pakistani authorities to ensure that their electoral process conforms to methods and procedures characterized by transparency, independence and other criteria that electoral experts assess constitute a “free and fair” electoral process.

Political parties are established in Pakistan. In line with Pakistan’s history and past practices, political parties are expected to participate in elections. All parties should be treated identically and be subject to the same rules and conditions, and should be allowed to function and freely campaign.

The President has made clear the importance that he places the growth of democracy worldwide. In discussions with Pakistani officials we make clear the importance that the U.S. puts on Pakistan building a fully democratic system that conforms to the rule of law, with strong democratic institutions and protections for human rights.

Pakistan recognizes that its progress on building democracy constitutes a critical factor for support from the U.S. administration, the Congress and American people to moving forward in forging our long-term bilateral relationship. What we would do if we judge that the 2007 elections are not free and fair is a decision that will need to be made at that time should that occur. In such an instance, at the very least we would certainly raise our concern with the Pakistani government. For now, our efforts are to ensure that the elections are free and fair.

Question:

I understand that one of the ways in which the Pakistani government attempts to control female members of the political opposition is through putting pressure on their spouses. For example, I understand that Ms. Farheen Mughal is a PPP legislator in the provincial assembly of Sindh. I further understand that in response to her criticism of the sitting Chief Minister, her husband’s military career was terminated. Do the authorities in Pakistan use political pressure tactics such as these, including in the case referenced above?

Response:

The use of spurious charges has long been a method of harassing political opponents in Pakistan. We cannot ascertain that such is the case with regard to the charges against the husband of Farheen Mughal, whose real name is Firdous Hameed, a PPP member of the Sindh Assembly.

Question:

What percentage of U.S. government assistance to Pakistan would the administration characterize as being in support of democracy?

Response:

The FY-2006 request for USAID democracy and governance programs for Pakistan is \$15.6 million. In the FY-2005 budget, democracy and governance programs total \$13.3 million. The total amount of programmed funding is around \$150 million in our development and economic assistance programs for FY2005, so democracy and governance programs account for approximately 10%. In addition, the Department of State's Bureau of Democracy, Human Rights and Labor is currently spending more than \$2 million in ESF funding on four projects: a project to increase human rights awareness and training for legal aid lawyers providing legal aid, a project strengthening the role of independent media, a project working to improve the ability of trade unions to work together in coalitions addressing workplace concerns, and a regional project supporting women political party leaders. DRL is also providing support for Pakistan's 2005 local elections and plans on continuing this support for the 2007 national elections.

Question:

One of the witnesses at our hearing, Stephen P. Cohen, asserts that with respect to educational reform, "Islamabad continues to emphasize the importance of technical education, and has started another scheme to massively train scientists and technicians. The model is the huge military-industrial complex already in place. The Pakistani leadership cares little for the complete breakdown in education in law, the humanities, social sciences, and the arts. This is an educational vision appropriate for a totalitarian state, not one that aspires to be a free society." Does the Administration share this perspective? If not, why not?

Response:

The Administration disagrees with the perspective quoted above. The Government of Pakistan has placed a lot of emphasis on improving the Pakistani education system, which it recognizes is "broken". The GOP has dramatically increased spending on education over the last five years.

The Government of Pakistan acknowledges that all aspects of its educational system need improvement. While it accorded priority to improving scientific and technical education, it also has moved to improve basic and university education overall, as well as providing better conditions for educating women.

During his March 2005 visit to the United States, Pakistan's Minister of Education made it clear that a greater emphasis on technical education at both the secondary and university level reflects the need to provide students with skills that will help them find jobs in today's marketplace. At present, according to the Minister, Pakistan is producing many university graduates who lack marketable skills.

The U.S. is supporting Pakistan in its educational sector. U.S. assistance is focusing on strengthening the primary and secondary levels, and improving teacher training. A U.S.-Pakistan science and technology cooperation agreement aims to build ties with Pakistan's research and development institutions.

Pakistan's economy remains largely dependent on agriculture. Its industrial sector is small but growing. Industries that supply the military account for a small share of Pakistan's economy.

In order for Pakistan to diversify its economy, to expand it in order to provide jobs for its growing population, it will need far more graduates trained in the sciences and technical skills.

BHUTANESE REFUGEES

Question:

As you know, more than 100,000 refugees of ethnic Nepalese origin from southern Bhutan have been living in camps in southeast Nepal for a dozen years after they were arbitrarily stripped of their nationality and forced to flee Bhutan in the early 1990s. The Bhutanese refugee situation has been one of the most protracted and neglected refugee crises in the world. Are we any closer to a durable solution? What more can be done to ease the plight of these individuals?

Response:

As you may know, the United States and Bhutan do not have formal diplomatic relations, but we maintain cordial and active contact. The plight of the refugees in eastern Nepal is the main issue that dominates our discussions. Our policy on refugees has been oriented to pursue all three durable solutions for this population: repatriation to Bhutan, local integration in Nepal and third-country resettlement when appropriate. State Department officials regularly conduct monitoring visits of USG-funded protection and assistance provided in the Bhutanese refugee camps.

Until recently, most of the refugees indicated that their preference would be repatriation to Bhutan.

The Department of State has continued to press the Royal Government of Bhutan to honor its commitment to repatriate the 75% of refugees identified as Category 1, 2 and 4 in the Khudunabari camp. We have also urged the Government of Nepal and the Royal Government of Bhutan to resume their bilateral process to verify and categorize the refugees in the remaining six camps. (Category 1 refugees are individuals that can prove they were forcibly expelled; Category 2 refugees are individuals that voluntarily emigrated; and Category 4 refugees are individuals who are viewed as criminals by Bhutanese authorities, but may return if they agree to stand trial.)

In 2004, Department of State diplomats conducted numerous demarches to Bhutanese government officials, including visits to Bhutan by our Ambassador to India, and by our Assistant Secretary for Population, Refugees and Migration Arthur E. Dewey for discussions with King Wangchuk. During Assistant Secretary Dewey's visit to Bhutan last October, King Wangchuk agreed to the immediate repatriation of the Category 1 refugees from Khudunabari camp as a confidence-building measure. However, the Royal Government of Bhutan has not taken any effective steps to implement this promise. The deteriorating security situation in Nepal has further complicated a resolution. Many refugees no longer believe that repatriation is viable and some Bhutanese refugee groups are urging third-country resettlement.

UNHCR is prepared to commence a registration exercise in the Bhutanese refugee camps as early as this July, but must receive final approval from the Government of Nepal. We want Nepal to give its approval so that UNHCR may begin its survey. Completing this exercise is a necessary first step towards developing all possible durable solutions.

We have indicated our willingness to accept any UNHCR referrals of individual vulnerable cases at any time. None have been referred to date.

The Royal Government of Bhutan has recently made informal statements to the effect that they will now agree to the repatriation of Category 1 refugees only and will not permit any refugee repatriation until after their new constitution is ratified, at the earliest, in 2007. We are seeking clarification on Bhutan's current position. Our goal is to see repatriation of refugees before other durable solutions are offered. Bhutan should honor its commitments.

NEPAL

Question:

I understand from your testimony that the United States is currently "suspending" lethal military assistance to Nepal. What specific forms of lethal assistance have we suspended and under what conditions would the U.S. be prepared to resume lethal arms transfers to Nepal?

Response:

Since February 1, we have calibrated our security assistance to Nepal to King Gyanendra's progress in restoring civil liberties and multiparty democratic institutions. We continue to stress to the Government of Nepal that in the current political situation our security assistance is under constant review.

We have put a hold on delivery of 3,592 M-16 rifles to Nepal. We have told the King that we must see more progress in releasing political detainees, restoring civil liberties, including freedom of the media, protecting human rights and reaching out to the legitimate political parties. Reconciliation between the Government and the political parties is necessary to confront the Maoist insurgency and to restore democracy to Nepal.

Question:

Does the U.S. support a restoration of the last elected parliament? Why or why not?

Response:

The constitutional question of the possible restoration of the previous parliament is a question for the Nepali people and the courts. We support agreement among the Government and political parties on a way forward that promotes democracy and stability in Nepal. We have urged and continue to urge the King and the political parties to come together for the benefit of the Nepali people and to defeat the Maoists. The goal should be free and fair parliamentary elections and restoration of a fully functioning democracy.

Question:

Will the U.S. provide funding for the expanded human rights monitoring mission of the Office of the High Commissioner for Human Rights in Nepal? If so, how much will we provide; and if we will not provide financial support, why not?

Response:

We fully support the initiative undertaken by the United Nations Office of the High Commissioner for Human Rights to staff several local offices in Nepal to monitor the human rights situation in the country.

The U.S., through USAID, is providing \$900,000 for OHCHR's work in Nepal. We continue to explore possibilities for additional funding.

RESPONSE FROM THE HONORABLE CHRISTINA B. ROCCA, ASSISTANT SECRETARY, BUREAU OF SOUTH ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE, TO QUESTION SUBMITTED FOR THE RECORD BY THE HONORABLE ENI F.H. FALEOMAVAEGA, A REPRESENTATIVE IN CONGRESS FROM AMERICAN SAMOA

Question:

How much does each F-16 cost? I am not a mathematician.

Response:

The F-16C/D Block 50/52 configuration has an estimated flyaway cost of \$40–45 million per plane. It is important to note this is only an estimate since the actual cost will depend on the various sub-systems and avionics packages included in the final package. What sub-systems and avionics packages will be included is the topic of an ongoing inter-agency disclosure dialogue. Once a decision is reached, we will further discuss this with Congress.

